CANYON SERVICES GROUP INC.
Offering of Common Shares

Terms and Conditions

March 7, 2016

A preliminary short form prospectus containing important information relating to the securities described in this document has not yet been filed with the securities regulatory authorities in each of the provinces of Canada, other than Quebec. A copy of the preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the securities.

There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

Issuer:	Canyon Services Group Inc. ("**Canyon**" or the "**Corporation**").
Issue:	13,750,000 common shares of the Corporation ("**Common Shares**") to be issued from treasury pursuant to the short form prospectus provisions and requirements under National Instrument 44-101 (the "**Offering**").
Issue Price:	$4.00 per Common Share.
Amount:	$55,000,000.00
Over-Allotment Option:	The Underwriters will have an option to purchase up to 2,062,500 additional Common Shares at a price of $4.00 per Common Share to cover over-allotments, exercisable in whole or in part at any time until 30 days after the Closing Date.
Issue Type:	Bought treasury offering of Common Shares to be completed by way of short form prospectus, qualifying the Common Shares for distribution in all provinces of Canada, except Quebec. The Common Shares may also be placed privately in the United States with certain qualified institutional buyers pursuant to Rule 144A of the Securities Act of 1933.
Eligibility for Investment:	The Common Shares will be eligible under the usual Canadian statutes and for Canadian RRSPs, RRIFs, DPSPs, RDSPs, TFSAs and RESPs.
Listing:	The existing common shares of the Corporation are listed on the Toronto Stock Exchange under the symbol "FRC".
Closing Date:	Payment for and delivery of the Common Shares is to occur March 29, 2016, or such date as may be agreed upon by the Corporation and Peters & Co. Limited.
Use of Proceeds:	The net proceeds from this Offering will be used to temporarily reduce bank indebtedness, increase general working capital and fund ongoing capital expenditures and potential acquisition opportunities.
Sole Bookrunner:	Peters & Co. Limited.