# AGENCY AGREEMENT

THIS AGREEMENT dated for reference November 15, 2013 is made

BETWEEN

**GRANDE WEST TRANSPORTATION GROUP INC.**, 26180 31B Avenue, Aldergrove, British Columbia V4W 2Z6
Fax: 604.607.4004

(the "Issuer");

AND

**RICHARDSON GMP LIMITED**, Suite 500 – 550 Burrard Street, Vancouver, British Columbia V6C 2B5
Fax: 604.640.0464

("Richardson GMP");

AND

**EURO PACIFIC CANADA, INC.**, Suite 480 – 1111 Melville Street, Vancouver, British Columbia V6E 3V6
Fax: 604.677.5345

("Euro Pacific")

(Richardson GMP and Euro Pacific are collectively referred to as the "Agents").

WHEREAS:

A. The Issuer wishes to raise money for the purposes set forth in its Prospectus, which is to be filed by the Issuer with the Commissions and the Exchange, by offering for sale certain of its securities;

B. The Issuer wishes to appoint the Agents to distribute those securities and the Agents are willing to accept the appointment on the terms and conditions of this Agreement;

THE PARTIES to this Agreement therefore agree:

## 1. DEFINITIONS

In this Agreement:

(a) "Agents' Fee" means the fee which is set out in Section 7.1 of this Agreement and which is payable by the Issuer to the Agents in consideration of the services performed by the Agents under this Agreement;

(b) "Agents' Options" means the options of the Issuer which will be issued as part of the Agents' Fee and which have the terms provided in this Agreement and the certificates representing such options;

(c) "Agents' Option Shares" means any Common Shares that may be issued on exercise of the Agents' Options;

(d) "Applicable Legislation" means the securities acts in the Selling Provinces, the regulations and rules made thereunder, and all administrative policy statements, blanket orders, notices, directions and rulings issued by the Commissions;

(e) "CDS" means CDS Clearing and Depository Services Inc.;

(f) "Certificates" means the certificates representing the Offered Shares (unless all or a portion of the Offered Shares are issued electronically through CDS) and the Agents' Options;

(g) "Closing" means the closing of the purchase and sale, and the issuance by the Issuer, of the Offered Shares;

(h) "Closing Day" means the day which falls 10 business days after the Offering Day or such other day as may be agreed to by the Issuer and the Agents;

(i) "Commissions" means the securities commissions in the Selling Provinces;

(j) "Common Shares" means the common shares in the capital of the Issuer as presently constituted;

(k) "Corporate Finance Fee" means the fee to be paid to Richardson GMP by the Issuer pursuant to Section 7.2 hereof;

(l) "Distribution" means the distribution or sale of the Securities pursuant to this Agreement and the Prospectus;

(m) "Effective Date" means the date on which the Final Receipt is issued;

(n) "Exchange" means the TSX Venture Exchange Inc.;

(o) "Final Receipt" means the receipt issued for the final Prospectus by the Principal Regulator pursuant to National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions* ("NP 11-202"), representing a final receipt for the Prospectus in each of the Selling Provinces;

(p) "Material Change" has the meaning defined in the Applicable Legislation;

(q) "Material Fact" has the meaning defined in the Applicable Legislation;

(r) "Material Subsidiary" means Grande West Transportation International Ltd.;

(s) "Misrepresentation" has the meaning defined in the Applicable Legislation;

(t) "Offered Shares" means the previously unissued Common Shares to be issued under the Prospectus;

(u) "Offering" means the offering of the Offered Shares under the Prospectus;

(v) "Offering Day" means the day chosen by the Agents to contract the purchases of Offered Shares by the purchasers;

(w) "Offering Price" means $0.50 per Offered Share;

(x) "Preliminary Receipt" means the receipt issued for the preliminary Prospectus by the Principal Regulator pursuant to NP 11-202;

(y) "Principal Regulator" means the British Columbia Securities Commission;

(z) "Proceeds" means the gross proceeds of the Offering, less:

(i) that portion of the Agents' Fee which is payable in cash;

(ii) the Corporate Finance Fee;

(iii) the expenses of the Agents in connection with the Offering which have not been repaid by the Issuer; and

(iv) any amount already received by the Issuer from the sale of any of the Offered Shares.

(aa) "Prospectus" means the preliminary prospectus, the amended and restated preliminary prospectus and the final prospectus filed or intended to be filed by the Issuer with the Regulatory Authorities in connection with the Offering and any amendments to the final prospectus which may be filed with the Regulatory Authorities;

(bb) "Regulatory Authorities" means the Commissions and the Exchange;

(cc) "Securities" means the Offered Shares, Agents' Options and Agents' Option Shares; and

(dd) "Selling Provinces" means British Columbia, Alberta and Ontario or in such other provinces as may be agreed to by the Issuer and the Agents.

**2. APPOINTMENT OF AGENTS**

2.1 The Issuer appoints the Agents as its exclusive agent and the Agents accept the appointment and will act as the exclusive agents of the Issuer to offer a minimum of 8,000,000 Offered Shares to a maximum of 10,000,000 Offered Shares for sale under the Prospectus at the Offering Price on a commercially reasonable efforts basis.

2.2 The rights and obligations of the Agents under this Agreement will be several (as distinguished from joint) rights and obligations for each Agent.

2.3 Except as otherwise specifically provided in this Agreement, the rights and obligations of the Agents will be divided in the proportions in which the Agents participate in the Offering.

2.4 The Agents will act as joint lead agents and Euro Pacific will act as sole bookrunner in respect of the Offering and the Agents will participate in the Offering as follows, unless otherwise agreed in writing between the Agents:

| | |
|---|---|
| Richardson GMP | 50% |
| Euro Pacific | 50% |

The Agents agree that in respect of purchasers introduced by the Issuer, such purchasers shall form part of Richardson GMP's 50% participation in the Offering.

2.5 Each Agent will have the authority to act on, and to deliver, any notice, request or other communication or agreement (collectively a "Notice") required or permitted under this Agreement on behalf of the Agents; provided that, the Agent desiring to give or deliver a Notice will, in good faith, discuss with the other Agent, the nature of any Notice prior to giving or delivering same. The Issuer may rely wholly on any such Notice given by either Agent without further enquiry.

## 3. THE SHARES

The Offered Shares will be issued and registered as directed by the Agents.

## 4. FILING OF PROSPECTUS

4.1 The Issuer will cause the Prospectus to be filed with the Regulatory Authorities, will deliver all necessary copies of the Prospectus to the Regulatory Authorities and will use its best efforts to have the Prospectus accepted by the Regulatory Authorities.

4.2 The Issuer will provide the Agents with as many copies of the Prospectus as the Agents reasonably request.

4.3 Delivery of the Prospectus and any amendment thereto shall constitute a representation and warranty by the Issuer to the Agents that all information and statements (except information and statements relating solely to the Agents) contained in the Prospectus and any amendment thereto are true and correct in all material respects at the time of delivery thereof and contain no Misrepresentations and constitute full, true and plain disclosure of all Material Facts relating to the Issuer and the Securities and that no Material Fact or material information has been omitted therefrom (except facts of information relating solely to the Agents) which is required to be stated therein or is necessary to make statements of information contained therein not misleading in light of the circumstances under which they were made. Such delivery shall also constitute the Issuer’s consent to the Agents’ use of the Prospectus, any amendment thereto and any other documents supplied to the Agents by the Issuer for the purpose of the sale of Offered Shares in compliance herewith and with the Applicable Legislation.

## 5. LISTING APPLICATION AND CONDUCT OF THE OFFERING

5.1 Prior to the Closing Day, the Issuer will make application to list the Offered Shares and Agents' Option Shares on the Exchange and conditional approval of such application must be obtained from the Exchange prior to Closing.

5.2 Following the Effective Date and after consulting with the Exchange, the Issuer and the Agents will set the Offering Day.

5.3 The Offering Day will be on or before the day (the “Last Offering Day”) which is:

(a) 90 days after the Effective Date; or

(b) if a receipt is issued for an amendment to the Final Prospectus, 90 days after the date of such receipt and, in any event, no later than 180 days after the Effective Date.

5.4 Immediately after the Offering Day, the Issuer shall take all necessary steps to complete and file with the Exchange its application for listing with all other documentation required by the Exchange, to allow for the listing and posting for trading of the Common Shares of the Issuer on the Exchange, which is to occur on such day as agreed to by the Issuer and the Agents, where such day is to occur no earlier than 10 business days after the Offering Day unless otherwise agreed to by the Agents.

5.5 The Agents will advise the Issuer and its counsel in writing when the Distribution under the Prospectus is complete.

5.6 The Agents covenant and agree that the Agents shall deliver to the Exchange as soon as reasonably possible after the Closing Day, a Distribution Summary Statement as required by Section 3.2 of Policy 2.3 of the Exchange.

## 6. OPINIONS AND CERTIFICATES

6.1 Prior to the filing of the final Prospectus, the Issuer will deliver the following documents to the Agents and their counsel in a form acceptable to them:

(a) a comfort letter from the auditor of the Issuer, dated as of the date of the Prospectus and addressed to the Agents and their counsel, relating to the accuracy of the financial statements forming part of the Prospectus and the accuracy of the financial, numerical and certain other information disclosed in the Prospectus; and

(b) any other certificates, comfort letters or opinions in connection with any matter related to the Prospectus which are reasonably requested by the Agents or its counsel.

6.2 On Closing, the Issuer will deliver the following documents to the Agents and their counsel in a form acceptable to them:

(a) evidence of the necessary approval of the Regulatory Authorities for the Offering;

(b) such legal opinions of the Issuer's British Columbia legal counsel, addressed to the Agents and their legal counsel and dated as of the Closing Day in form and content acceptable to the Agents and their counsel for a financing of this nature, acting reasonably, and opinions of local counsel addressed to the Agents and their legal counsel as to the laws of any other Selling Province, relying, as to matters of fact, on certificates of auditors, public officials and officers of the Issuer, relating to the Prospectus; the trade and Distribution of the Offered Shares and Agent’s Options, without restriction, and to such other matters as the Agents or their counsel may reasonably require;

(c) an opinion of tax counsel for the Issuer, dated as of the Closing Day and addressed to the Agents and their counsel, confirming the disclosure and opinion contained under the section entitled “Eligibility For Investment” in the Prospectus,

(d) a subsidiary opinion on the Material Subsidiary, dated as of the Closing Date and addressed to the Agents and their counsel, in a form acceptable to the Agents and their counsel;

(e) a bring-down comfort letter from the auditor of the Issuer, dated as of the Closing Day and addressed to the Agents and their counsel, relating to the accuracy of the financial statements forming part of the Prospectus and the accuracy of the financial, numerical and certain other information disclosed in the Prospectus;

(f) a certificate of the Issuer, dated as of the Closing Day and signed by the chief executive officer and chief financial officer of the Issuer or such other officers approved by the Agents, certifying certain facts relating to the Issuer and its affairs (the “Officers’ Certificate”); and

(g) any other certificates, comfort letters or opinions in connection with any matter related to the Offering which are reasonably requested by the Agents or their counsel.

**7. AGENTS’ FEE**

7.1 In consideration of the services performed by the Agents under this Agreement, the Issuer agrees to:

(a) pay the Agents a commission of 8% of the Offering Price per Offered Share sold, (except for purchasers introduced to the Agents by the Issuer, in which case the commission will be 4% of the Offering Price per Offered Share sold) whether purchased by the Agents for their own account or for their clients or purchased by other members of the Exchange for their own accounts or for their clients, which will be paid in cash (payable in lawful Canadian currency); and

(b) issue Agents' Options to the Agents (or to members of their selling group, as directed by the Agents) entitling the holders to purchase that number of Agents' Option Shares as is equal to 8% of the number of Offered Shares sold.

(collectively, the “Agents’ Fee”).

7.2 The Issuer also agrees to pay to Richardson GMP a Corporate Finance Fee of $27,500 (plus applicable taxes) in consideration of corporate finance and structuring services provided by Richardson GMP. The Corporate Finance Fee shall be paid from the proceeds of the Offering.

7.3 One Agents’ Option will entitle the holder to purchase one Agents’ Option Share.

7.4 The right to purchase Agents' Option Shares under the Agents' Options may be exercised at anytime up to the close of business two years from the Closing Day, at a price of $0.50 per Agents’ Option Share.

7.5 The Agents' Options will be represented by certificates, and will be non-transferable except as permitted by the Applicable Legislation.

7.6 The terms governing the Agents' Options will include, among other things, provisions for the appropriate adjustment in the class, number and price of the Agents' Option Shares upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, the payment of stock dividends or the amalgamation of the Issuer.

7.7 The issue of the Agents' Options will not restrict or prevent the Issuer from obtaining any other financing, or from issuing additional securities or rights during the period within which the Agents' Options are exercisable.

**8. MINIMUM SUBSCRIPTION**

8.1 The Offering is subject to a minimum subscription of 8,000,000 Offered Shares.

8.2 All funds received by the Agents for subscription will be held in trust by the Agents or placed in trust with the Issuer's registrar and transfer agent until the minimum subscription has been obtained.

8.3 Notwithstanding any other term of this Agreement, all subscription funds received by an Agent will be returned to the subscribers without interest or deduction if the minimum subscription is not obtained by 5:00 p.m. (Vancouver time) on the Last Offering Day, unless such Agent is otherwise instructed by the subscribers.

## 9. CLOSING

9.1 The Closing will take place on the Closing Day.

9.2 On Closing the Issuer will deliver the Certificates to the Agents and provide satisfactory confirmation that any Offered Shares not represented by Certificates, if applicable, have been delivered in electronic book entry form through CDS (the "**CDS Confirmation**"), against payment of the Proceeds.

9.3 If the Issuer has satisfied all of its obligations under this Agreement, on Closing, the Agents will pay the Proceeds to the Issuer, against delivery of the Certificates and receipt of the CDS Confirmation.

9.4 The obligation of the Agents to pay the Proceeds to the Issuer shall be subject to the following conditions precedent:

(a) completion by the Agents of due diligence on the Issuer to its reasonable satisfaction;

(b) the Issuer shall have performed or complied with each covenant and obligation herein provided on its part to be performed or complied with;

(c) each of the representations and warranties of the Issuer herein shall continue to be true, and the Officer's Certificate shall contain certification to that effect; and

(d) the Issuer shall have, to the satisfaction of the Agents' counsel, taken or caused to be taken all steps and proceedings which may be requisite under the Applicable Legislation to qualify the Distribution of the Offered Shares to the public in the Selling Provinces through registrants who have complied with the provision of the Applicable Legislation and to qualify the Distribution of the Agent's Options to the Agents (or to members of the Agents' selling group), including the filing of the Prospectus and the obtaining of the Preliminary Receipt, the receipt for the amended and restated Preliminary Prospectus and the Final Receipt.

## 10. MATERIAL CHANGES

10.1 If, after the Prospectus is filed with the Regulatory Authorities but before the conclusion of the Distribution, a Material Change or change in a Material Fact occurs in the affairs of the Issuer, the Issuer will:

(a) notify the Agents immediately, in writing, with full particulars of the change;

(b) file with the Regulatory Authorities as soon as practicable, and in any event no later than 10 days after the change occurs, an amendment to the Prospectus in a form acceptable to the Agents disclosing the Material Change; and

(c) provide as many copies of that amendment to the Agents as the Agents may reasonably request.

10.2 The Issuer shall in good faith discuss with the Agents any fact or change in circumstances (actual and anticipated, contemplated or threatened, whether financial or otherwise) which is of such a nature that there is reasonable doubt as to whether notice in writing need be given to the Agents pursuant to the previous Subsection.

**11. TERMINATION**

11.1 The Agents may terminate their obligations under this Agreement by notice in writing to the Issuer at any time before the Closing if:

(a) there is an event, accident, governmental law or regulation or other occurrence of any nature which, in the opinion of the Agents, seriously affects or will seriously affect the financial markets or the business of the Issuer or the ability of the Agents to perform their obligations under this Agreement or an investor's decision to purchase Offered Shares;

(b) an adverse Material Change or change in a Material Fact relating to any of the Securities occurs or is announced by the Issuer;

(c) following a consideration of the history, business, products, property or affairs of the Issuer or its principals and promoters, or the state of the financial markets in general, or the state of the market for the Issuer's securities in particular, or the possibility of investors exercising their statutory rights to withdraw from a purchase of the Issuer's securities, the Agents determine, in their sole discretion, that it is not in the interest of investors to complete the Offering;

(d) the Securities cannot, in the opinion of the Agents, be marketed due to the state of the financial markets, or the market for the Offered Shares in particular; or

(e) an enquiry or investigation (whether formal or informal) in relation to the Issuer, or the Issuer's directors, officers or promoters, is commenced or threatened by an officer or official of any competent authority.

11.2 The Agents may terminate their obligations under this Agreement at any time if:

(a) any order to cease trading (including communicating with persons in order to obtain expressions of interest) in the securities of the Issuer is made by a competent regulatory authority and that order is still in effect;

(b) the Issuer is in breach of any term of this Agreement; or

(c) the Agents determine that any of the representations or warranties made by the Issuer in this Agreement is false or has become false.

11.3 If the Agents exercise their right to terminate this Agreement, then the Issuer will immediately issue a press release setting out particulars of the termination.

11.4 The Agents, at their sole discretion, may terminate this Agreement in writing if a Final Receipt for the amended and restated Prospectus is not issued within 120 days of the reference date of this Agreement.

## 12. WARRANTIES AND REPRESENTATIONS

12.1 The Issuer warrants and represents to the Agents that:

(a) the Material Subsidiary is the only subsidiary (as such term is defined in the Applicable Legislation) of the Issuer and the Issuer does not hold any material ownership interest in any other entities;

(b) the Issuer is the legal and registered owner of 100% of the issued and outstanding securities of the Material Subsidiary;

(c) the Issuer and the Material Subsidiary are valid and subsisting corporations duly incorporated and in good standing under the laws of the jurisdiction in which they are incorporated, continued or amalgamated;

(d) the Issuer and the Material Subsidiary are duly registered and licenced to carry on business in the jurisdictions in which they carry on business or own property where so required by the laws of that jurisdiction and are not otherwise precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document;

(e) the Issuer has full corporate power and authority to carry on its business as now carried on by it and to undertake the Offering and this Agreement has been, or will be by the Closing, duly authorized by all necessary corporate action on the part of the Issuer;

(f) this Agreement will constitute a valid and binding obligation of the Issuer in accordance with its terms and will be enforceable against the Issuer in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;

(g) all of the material transactions of the Issuer and the Material Subsidiary have been promptly and properly recorded or filed in their respective books or records and their respective minute books or records contain all records of the meetings and proceedings of their respective directors, shareholders, and other committees, if any, since inception;

(h) the authorized capital of the Issuer is as disclosed in the Prospectus and the issued and outstanding Common Shares of the Issuer are fully paid and non-assessable and, except as disclosed in the Prospectus, no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option, pre-emptive, contractual or otherwise, for the issue or allotment of any unissued shares in the capital of the Issuer or of the Material Subsidiary or any other security convertible into or exchangeable for any such shares, or to require the Issuer or the Material

Subsidiary to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital;

(i) the Issuer will reserve or set aside sufficient Common Shares in its treasury to issue the Offered Shares and Agents' Option Shares;

(j) except as qualified by the Prospectus, the Issuer is the legal and beneficial owner of and has good and marketable title to the properties, business and assets or the interests in the properties, business or assets referred to in the Prospectus; all agreements by which the Issuer or the Material Subsidiary holds an interest in a property, business or asset are in good standing according to their terms and there are no mortgages, liens, charges, encumbrances or any other interests in or on such properties;

(k) the Prospectus will contain full, true and plain disclosure of all Material Facts in relation to the Issuer, its business and its securities, will contain no Misrepresentations, will be accurate in all material respects and will omit no fact, the omission of which will make such representations misleading or incorrect;

(l) the financial statements of the Issuer which form part of the Prospectus have been prepared in accordance with international financial reporting standards, contain no Misrepresentations, present fairly, in all material respects, the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of the Issuer as at the date of the financial statements and there have been no adverse Material Changes in the financial position of the Issuer or the Material Subsidiary since the date thereof, and the business of the Issuer and the Material Subsidiary have been carried on in the usual and ordinary course consistent with past practice except as fully and plainly disclosed in the Prospectus;

(m) the auditors of the Issuer who audited the financial statements of the Issuer for the most recent financial year-end and who provided their audit report thereon are independent public accountants as required under Applicable Legislation and there has never been a reportable event (within the meaning of National Instrument 51-102) with the present auditors of the Issuer;

(n) the Issuer has complied and will comply fully with the requirements of all applicable corporate and securities laws and administrative policies and directions, including, without limitation, Applicable Legislation and the *Business Corporations Act* (British Columbia) and its regulations in relation to the issue and trading of its securities and in all matters relating to the Offering;

(o) the Issuer is in compliance with all applicable laws, regulations and statutes (including all environmental laws and regulations) in the jurisdictions in which it carries on business and which may materially affect the Issuer, has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations and statutes, and is not aware of any pending change or contemplated change to any applicable law or regulation or governmental position that would materially affect the business of the Issuer or the business or legal environment under which the Issuer operates;

(p) the Issuer has not caused or permitted the release, in any manner whatsoever, of any pollutants, contaminants, chemicals or industrial toxic or hazardous waste or substances (collectively, the "Hazardous Substances") on or from any of its properties or assets nor has it received any notice that it is potentially responsible for a clean-up site or corrective action under any applicable laws, statutes, ordinances, by-laws, regulations, or any orders, directions or decisions rendered by any government, ministry, department or administrative regulatory agency relating to the protection of the environment, occupational health and safety or otherwise relating to dealing with Hazardous Substances;

(q) all operations conducted by or on behalf of the Issuer or the Material Subsidiary have been conducted and are currently conducted in all material respects in accordance with good engineering practices and any applicable material workers' compensation, and health, safety and workplace laws, regulations and policies;

(r) the Issuer and the Material Subsidiary have all licences, permits, approvals, consents, certificates, registrations and other authorizations (collectively the "Permits") under all applicable laws and regulations necessary for the operation of the businesses carried on or proposed to be commenced by the Issuer and the Material Subsidiary and each Permit is valid, subsisting and in good standing and neither the Issuer nor the Material Subsidiary is in default or breach of any Permit, and to the best of the knowledge of the Issuer, no proceeding is pending or threatened to revoke or limit any Permit;

(s) to the Issuer's knowledge, information and belief, none of the directors or officers of the Issuer is or has been ever been subject to prior regulatory, criminal or bankruptcy proceedings in Canada or elsewhere;

(t) neither the Issuer nor the Material Subsidiary, nor to the best of the Issuer's knowledge, any other person, is in default in the observance of performance of any terms, covenant, obligation to be performed by the Issuer, the Material Subsidiary or such other person under any material instrument, document, agreement, or arrangement (including memorandums of understanding or joint venture agreements) to which the Issuer or its subsidiaries is a party or otherwise bound and all such material instruments, contracts, agreements, or arrangements (including memorandums of understanding or joint venture agreements) are in good standing and no event has occurred which with notice or lapse of time or both would constitute such a default by the Issuer, the Material Subsidiary or, to the best of the Issuer's knowledge, any other party;

(u) the issue and sale of the Securities by the Issuer and the entering into of this Agreement does not and will not conflict with, and does not and will not result in a breach of, or constitute a default under (A) any statute, rule or regulation applicable to the Issuer including, without limitation, the Applicable Legislation; (B) the constating documents, articles or resolutions of the Issuer which are in effect at the date hereof; (C) any agreement, debt instrument, mortgage, note, indenture, instrument, lease or other document to which the Issuer is a party or by which it is bound; or (D) any judgment, decree or order binding the Issuer or the property or assets of the Issuer;

(v) neither the Issuer nor the Material Subsidiary is a party to any actions, suits or proceedings which could materially affect its business or financial condition, and, to the best of the Issuer's knowledge, no such actions, suits or proceedings are contemplated or have been threatened;

(w) there are no judgments against the Issuer or the Material Subsidiary which are unsatisfied, nor are there any consent decrees or injunctions to which the Issuer or the Material Subsidiary is subject;

(x) there is not presently, and will not be until the conclusion of the Distribution, any Material Change or change in any Material Fact relating to the Issuer which has not been or will not be fully disclosed in the Prospectus;

(y) no order ceasing, halting or suspending trading in securities of the Issuer nor prohibiting the sale of such securities has been issued to and is outstanding against the Issuer or its directors, officers or promoters or against any other companies that have common directors, officers or promoters and, to the knowledge of the Issuer, no investigations or proceedings for such purposes are pending or threatened;

(z) the Issuer and the Material Subsidiary have filed all federal, provincial, local and foreign tax returns which are required to be filed, or has requested extensions thereof, and has paid all taxes required to be paid by them and any other assessment, fine or penalty levied against them, or any amounts due and payable to any governmental authority, to the extent that any of the foregoing is due and payable;

(aa) the Issuer and the Material Subsidiary have established on their books and records reserves which are adequate for the payment of all taxes not yet due and payable and there are no liens for taxes on the assets of the Issuer or the Material Subsidiary except for taxes not yet due, and there are no audits of any of the tax returns of the Issuer or the Material Subsidiary which are known by the Issuer's management to be pending, and there are no claims which have been or may be asserted relating to any such tax returns which, if determined adversely, would result in the assertion by any governmental agency of any deficiency which would have a material adverse effect on the properties, business or assets of the Issuer or the Material Subsidiary;

(bb) the Issuer owns or possesses adequate rights to use all material patents, trademarks, service marks, trade names, copyrights, trade secrets, information, proprietary rights and other intellectual property necessary for the business of the Issuer now conducted and proposed to be conducted, without any conflict with or infringement of the rights of others. The Issuer has received no communication alleging that the Issuer has violated or, by conducting its business as proposed, would violate any of the patents, trademarks, service marks, trade names, copyrights or trade secrets or other proprietary rights of any other person or entity;

(cc) except as disclosed in the Prospectus, the Issuer does not have any loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is used in the *Income Tax Act* (Canada));

(dd) the Issuer has not and shall not take any action which would be reasonably expected to result in the delisting or suspension of its Common Shares on or from the Exchange or on or from any stock exchange, market or trading or quotation facility on which its Common Shares are listed or quoted and the Issuer shall comply, in all material respects, with the rules and regulations thereof;

(ee) the Issuer will use the Proceeds in accordance with the disclosure set out under "Use of Proceeds" in the Prospectus;

(ff) the Issuer will not circulate or file with the Regulatory Authorities, any Prospectus or public document relating to the Offering without the prior consultation with and approval of such document by the Agents and their legal counsel, acting reasonably, unless the Issuer is required to do so under Applicable Legislation, in which event, to the extent possible, any such document shall be drafted in consultation with the Agents;

(gg) unless required to do so under Applicable Legislation or by Regulatory Authorities, the Issuer shall not announce the Offering in any kind of format other than information contained in press releases that may be issued immediately following filing of the Prospectus or the Closing Day and/or in standard regulatory reporting documents required under the rules of continuous disclosure. Within a reasonable period of time prior to (i) releasing any press release relating to the Offering or (ii) making any advertisement, announcement or disclosure of the Offering, the Issuer shall submit a copy of any such advertisement, announcement or disclosure to the Agents and their counsel for their review and comment prior to release;

(hh) other than the Agents, no person, firm or corporation acting or purporting to act at the request of the Issuer is entitled to any brokerage, agency or finder's fee in connection with the transactions described herein; and

(ii) the warranties and representations in this Section 12.1 are true and correct and will remain so as of the conclusion of the Distribution.

12.2 Each of the Agents severally, and not jointly or jointly and severally, warrants and represents to the Issuer that:

(a) it is a valid and subsisting corporation under the law of the jurisdiction in which it was incorporated, continued or amalgamated;

(b) it is registered as an investment dealer in each of the Selling Provinces;

(c) it is a member in good standing of the Exchange; and

(d) it has complied with and will fully comply with the requirements of all Applicable Legislation, its rules and regulations and the by-laws and rules of the Exchange, in relation to trading in the Securities and all matters relating to the Offering.

## 13. INFORMATION

13.1 The Issuer shall make available or cause to be made available to the Agents and their counsel on a timely basis all information (financial or otherwise), data, documents, opinions, appraisals, valuations or other information relating to the Issuer and its properties, assets, liabilities, business and operations as the Agents or their counsel may reasonably require or deem appropriate in carrying out their obligations hereunder and under this Agreement. The Issuer will arrange for the Agents to have such timely access to directors, officers, employees, independent auditors and other consultants and to information concerning all aspects of the Issuer and its properties, assets, liabilities, business and operations as the Agents may reasonably require or deem appropriate in carrying out their obligations under this Agreement. The Agents shall keep all such information, data and documents received or obtained from or on behalf of the Issuer in connection with the Offering, which is not publicly available, confidential and shall not disclose same except to their counsel, employees and agents as necessary to perform their mandate hereunder or as required by law or by a regulatory authority having jurisdiction, including but not limited to the Investment Industry Regulatory Organization of Canada, any applicable stock exchange or any self-regulatory organization.

13.2 The Agents shall be entitled to rely upon, and to assume without independent verification, the accuracy and completeness of all information furnished to them pursuant to the above Section 13.1 and all other information that is filed with the Regulatory Authorities pursuant to applicable continuous disclosure obligations and the Agents shall be under no obligation to verify independently any such information provided.

## 14. EXPENSES OF AGENTS

14.1 The Issuer will pay all of the expenses of the Offering and all the expenses reasonably incurred by the Agents in connection with the Offering including, without limitation, the fees and expenses of the solicitors for the Agents.

14.2 The Issuer will pay the expenses referred to in the previous Subsection even if the Prospectus and this Agreement are not accepted by the Regulatory Authorities or the transactions contemplated by this Agreement are not completed or this Agreement is terminated, unless the failure of acceptance or completion or the termination is the result of a breach of this Agreement by the Agents.

14.3 The Agents may, from time to time, render accounts to the Issuer for their expenses for payment on the dates set out in the accounts.

14.4 The Issuer authorizes the Agents to deduct their reasonable expenses in connection with the Offering from the proceeds of the Offering, including expenses for which an account has not yet been rendered to the Issuer.

## 15. ELIGIBILITY FOR INVESTMENT

15.1 The Issuer covenants that it will either:

(a) file a public corporation election (the “Election”); or

(b) obtain a letter (the “Confirmation Letter”) from the Exchange confirming that the Offered Shares will be listed on the Exchange as of the Closing Day,

provided that, if the filing of the Election is not available to the Issuer, the Issuer covenants to use its commercially reasonable efforts to obtain the Confirmation Letter.

15.2 The Issuer acknowledges that the Agents are relying on receipt of either the Confirmation Letter or the Election with respect to sales of the Offered Shares into registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (collectively, the “Plans”) and agrees that, if

(a) the Issuer has fulfilled its obligations under Section 15.1 by obtaining a Confirmation Letter and if the Exchange does not issue a bulletin in relation to the listing of the Offered Shares at the close of market on the business day before the Closing, the Issuer will immediately notify the Agents and Closing may be delayed, at the sole discretion of the Agents; or

(b) the Issuer has fulfilled, or intends to fulfill, its obligations under Section 15.1 by filing an Election and if the Issuer does not make a valid Election in the manner contemplated in the Prospectus, the Issuer agrees to indemnify the Agents for any and all expenses, losses, fees, claims, actions, damages, obligations and liabilities, including the reasonable fees and expenses of its counsel, the Agents incur in connection with any claims against the Agents in relation to penalties assessed by the Canada Revenue Agency against purchasers under the Offering, or the annuitants or holders of such purchasers under the Offering, as a result of the Offered Shares not constituting a "qualified investment" for each of the Plans as defined in the *Income Tax Act* (Canada).

## 16. INDEMNITY

16.1 The Issuer (the "Indemnitor") hereby agrees to indemnify and hold the Agents, and their affiliates, and each of their directors, officers, employees and agents (hereinafter referred to as the "Personnel") harmless from and against any and all expenses, losses (other than loss of profits), fees, claims, actions (including shareholder actions, derivative actions or otherwise), damages, obligations, or liabilities, whether joint or several, and the reasonable fees and expenses of their counsel, that may be incurred in advising with respect to and/or defending any actual or threatened claims, actions, suits, investigations or proceedings to which the Agents and/or their Personnel may become subject or otherwise involved in any capacity under any statute or common law, or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Indemnitor by the Agents and their Personnel hereunder, or otherwise in connection with the matters referred to in this Agreement (including the aggregate amount paid in reasonable settlement of any such actions, suits, investigations, proceedings or claims that may be made against the Agents and/or their Personnel, provided that the Indemnitor has agreed to such settlement), provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

(a) the Agents and/or their Personnel have been grossly negligent or have committed wilful misconduct or any fraudulent act in the course of such performance; and

(b) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the gross negligence, wilful misconduct or fraud referred to in 16.1(a).

16.2 Without limiting the generality of the foregoing, this indemnity shall apply to all expenses (including legal expenses), losses, claims and liabilities that the Agents may incur as a result of any action or litigation that may be threatened or brought against the Agents.

16.3 If for any reason (other than the occurrence of any of the events itemized in 16.1(a) and 16.1(b) above), the foregoing indemnification is unavailable to the Agents or any Personnel or insufficient to hold the Agents or any Personnel harmless, then the Indemnitor shall contribute to the amount paid or payable by the Agents or any Personnel as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Agents or any Personnel on the other hand but also the relative fault of the Indemnitor and the Agents or any Personnel, as well as any relevant equitable considerations; provided that the Indemnitor shall in any event contribute to the amount paid or payable by the Agents or any Personnel as a result of such expense, loss, claim, damage or liability any excess of such amount over the amount of the fees received by the Agents hereunder.

16.4 The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or the Agents by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or shall investigate the Indemnitor and/or the Agents, and/or any Personnel of the Agents shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Indemnitor by the Agents, the Agents shall have the right to employ their own counsel in connection therewith provided the Agents act reasonably in selecting such counsel, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agents for time spent by the Agents' Personnel in connection therewith) and out-of-pocket expenses incurred by their Personnel in connection therewith shall be paid by the Indemnitor as they occur.

16.5 Promptly after receipt of notice of the commencement of any legal proceeding against the Agents or any of the Agents' Personnel or after receipt of notice of the commencement or any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Agents will notify the Indemnitor in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed. However, the failure by the Agents to notify the Indemnitor will not relieve the Indemnitor of its obligations to indemnify the Agents and/or any Personnel. The Indemnitor shall, on behalf of itself and the Agents and/or any Personnel, as applicable, be entitled to (but not required) to assume the defence of any suit brought to enforce such legal proceeding; provided, however, that the defence shall be conducted through legal counsel acceptable to the Agents and/or any Personnel, as applicable, acting reasonably, that no settlement of any such legal proceeding may be made by the Indemnitor without the prior written consent of the Agents and/or any Personnel, as applicable, and none of the Agents and/or any Personnel, as applicable, shall be liable for any settlement of any such legal proceeding unless it has consented in writing to such settlement, such consent not to be unreasonably withheld. The Agents and its Personnel shall have the right to appoint its or their own separate counsel at the Indemnitor's cost provided the Agents act reasonably in selecting such counsel.

16.6 The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Personnel of the Agents and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor, the Agents and any of the Personnel of the Agents. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of this Agreement.

## 17. ASSIGNMENT AND SELLING GROUP PARTICIPATION

17.1 The Agents will not assign this Agreement or any of their rights under this Agreement or, with respect to the Securities, enter into any agreement in the nature of an option or a sub-option unless and until, for each intended transaction, the Agents has obtained the consent of the Issuer and notice has been given to and accepted by the Regulatory Authorities.

17.2 The Agents may offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investments dealers, who may or who may not be offered part of the commissions or warrants to be received by the Agents pursuant to this Agreement.

**18. NOTICE**

18.1 Any notice under this Agreement will be given in writing and must be delivered, sent by facsimile transmission or mailed by prepaid post and addressed to the party to which notice is to be given at the address indicated above, or at another address designated by such party in writing.

18.2 If notice is sent by facsimile transmission or is delivered, it will be deemed to have been given at the time of transmission or delivery.

18.3 If notice is mailed, it will be deemed to have been received 48 hours following the date of mailing of the notice.

18.4 If there is an interruption in normal mail service due to strike, labour unrest or other cause at or prior to the time a notice is mailed the notice will be sent by facsimile transmission or will be delivered.

**19. TIME**

Time is of the essence of this Agreement and will be calculated in accordance with the provisions of the *Interpretation Act* (British Columbia).

**20. SURVIVAL OF REPRESENTATIONS AND WARRANTIES**

The representations, warranties, covenants and indemnities of the parties contained in this Agreement will survive the Closing of the purchase and sale of the Securities.

**21. LANGUAGE**

Wherever a singular or masculine expression is used in this Agreement, that expression is deemed to include the plural, feminine or the body corporate where required by the context.

**22. ENUREMENT**

This Agreement enures to the benefit of and is binding on the parties to this Agreement and their successors and permitted assigns.

**23. HEADINGS**

The headings in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement.

**24. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement and supersedes any other previous agreement between the parties with respect to the Offering and there are no other terms, conditions, representations or warranties whether express, implied, oral or written by the Issuer or the Agents.

## 25. COUNTERPARTS

This Agreement may be executed in two or more counterparts and delivered by facsimile or other electronic means, each of which will be deemed to be an original and all of which will constitute one agreement, effective as of the reference date given above.

**[THIS SPACE INTENTIONALLY LEFT BLANK.]**

## 26. LAW

This Agreement and its application and interpretation will be governed exclusively by the laws prevailing in British Columbia. The parties to this Agreement consent to the jurisdiction of the courts of British Columbia, which courts shall have exclusive jurisdiction over any dispute of any kind arising out of or in connection with this Agreement.

This Agreement was executed and delivered as of the date given above.

**GRANDE WEST TRANSPORTATION GROUP INC.**

Per: ______________________
Authorized Signatory

**RICHARDSON GMP INC.**

Per: ______________________
Authorized Signatory

Per: ______________________
Authorized Signatory

**EURO PACIFIC CANADA, INC.**

Per: ______________________
Authorized Signatory