

Let this **AFFIDAVIT** be filed this
28. day of November, 2019

J.M.C.Q.B.A.

COURT FILE NUMBER

1903-24389

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, RSC, 1985, c
C-36

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF TLI
CHO LANDTRAN TRANSPORT LTD., 1456998
ALBERTA LTD., and 1456982 ALBERTA LTD.

APPLICANT

TLICHO INVESTMENT CORPORATION

RESPONDENTS

TLI CHO LANDTRAN TRANSPORT LTD.,
1456998 ALBERTA LTD., and 1456982
ALBERTA LTD.

DOCUMENT

AFFIDAVIT

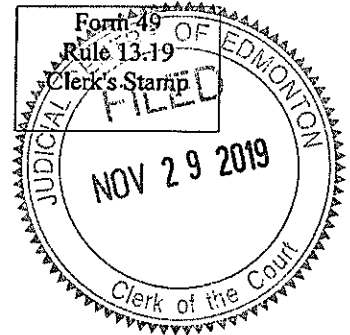
ADDRESS FOR SERVICE
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File No. 261496



AFFIDAVIT OF MARK BRAJER**Sworn November 27, 2019**

I, Mark Brajer, of the City of Yellowknife, in the North West Territories, MAKE OATH AND SAY THAT:

A. INTRODUCTION

1. I am employed by the Applicant, Tlichq Investment Corporation (“**TIC**”) as its Chief Executive Officer. I am authorized to make this affidavit on behalf of the Applicant, and have personal knowledge of the facts hereinafter deposed except where such facts are stated to be on information and belief, and in such cases, I verily believe them to be true.
2. I am also an officer of the Respondents and have personal knowledge of the operations and financial position of the Transport Companies (as defined below).
3. TIC is a creditor and the ultimate parent company of the Respondent, Tli Cho Landtran Transport Ltd. (“**Tlichq Landtran**”). TIC is also the majority shareholder of the Respondents of 1456998 Alberta Ltd. (the “**General Partner**”), and 1456982 Alberta Ltd. (the “**Limited Partner**”), owning 90% of the voting shares of each company, which companies are the general partner and the limited partner of Ventures West Transport LP (“**Ventures West LP**” and together with Tlichq Landtran, the General Partner and the Limited Partner, the “**Transport Companies**”). In my capacity as the Chief Executive Officer of TIC and as an officer of the Transport Companies, I am familiar with each of the Transport Companies.
4. In preparing this affidavit, I have consulted with legal, financial and other advisors of TIC and other members of TIC’s management team. Based on my understanding of the matters deposed to herein and from my own review of the books and records of the Transport Companies, I believe the facts relating to the Transport Companies’ financial and other obligations, are correct.

5. TIC, the Applicant in these proceedings, is a federal corporation, which is extra-provincially registered in the Northwest Territories. TIC is wholly owned by the Tłıchǵ Government. The Tłıchǵ are an aboriginal people of Canada that have traditionally used and occupied lands in and adjacent to the Northwest Territories.
6. The Tłıchǵ Government was formed pursuant to an agreement between the Tłıchǵ, the Government of the Northwest Territories and the Government of Canada on August 25, 2003 (the “**Tłıchǵ Agreement**”). The Tłıchǵ Agreement was ratified by the *Tłıchǵ Land Claims and Self-government Agreement Act*, SNWT 2003, c 28.
7. The Tłıchǵ Government represents four Tłıchǵ communities in the Northwest Territories: Behchokǵ, Gamètì, Wekweètì and Whatì (the “**Tłıchǵ Communities**”).
8. The Tłıchǵ language is called Tłıchǵ Yatı̀. The style of cause in this my affidavit and the other materials filed in these proceedings reference the English spelling for the names of the Applicants and the Respondents, because that spelling is required by the Alberta and Northwest Territories corporate registries. However, any references to the names of the Tłıchǵ, the Tłıchǵ Government, Tłıchǵ Landtran and the Tłıchǵ Companies (as defined below) are defined in this my affidavit to be spelled using the unicode versions of each name in Tłıchǵ Yatı̀.
9. The Tłıchǵ Government owns and operates a number of businesses for the benefit of the Tłıchǵ, including TIC. TIC is the ultimate parent company of each of the businesses and companies owned and operated by and on behalf of the Tłıchǵ Government. TIC employs directly and indirectly more than 450 employees, many of whom are residents of Tłıchǵ Communities.
10. In order to support and finance TIC, the Tłıchǵ Government has provided over \$17 million to TIC through various loans and other arrangements over the past several years. These funds were provided to TIC in order to assist TIC with its business and investment activities. Most recently, in connection with an agreement with TIC’s senior lender, Canadian Imperial Bank of Commerce (“**CIBC**”), the Tłıchǵ Government loaned TIC \$7 million pursuant to a loan agreement dated October 10, 2019, executed by TIC and the

Tłchq Government (the “**Tłchq Government Loan**”). Attached hereto as **Exhibit “A”** is a copy of the Tłchq Government Loan. This loan was a condition of CIBC’s agreement to extend TIC’s loan facilities.

11. TIC is the ultimate parent company of twenty-two subsidiaries, which include the Transport Companies (collectively, the “**Tłchq Companies**”). TIC provides certain management and finance functions for each of the Tłchq Companies. As part of this arrangement, TIC operates a central operating account with CIBC through which each of the Tłchq Companies receipts and disbursements flow (the “**TIC Account**”). This operating account is supported, in part, by a demand operating facility made available by CIBC to TIC as borrower with a current limit of \$12 million on which each of TIC and the Tłchq Companies may draw.
12. In exchange for the right to draw on the TIC Account and the CIBC Loan, each of the Tłchq Companies granted CIBC guarantees and security over all of their real and personal property, as applicable.
13. The Tłchq Government, through TIC, acquired a 60% interest in the Transport Companies in 2009, and acquired its current 90% shareholding position in the Transport Companies through various transactions which occurred at the end of 2015.
14. Since the acquisition of the majority interest in the Transport Companies by TIC, the Transport Companies have withdrawn the net amount of approximately \$37.6 million from the TIC Account. TIC and the other Tłchq Companies have therefore provided \$37.6 million in intercompany advances to the Transport Companies which have not been repaid.
15. The Transport Companies have experienced years of significant financial difficulties and cannot continue to operate without extensive financial support. In order to pursue a restructuring that will maximize value for stakeholders and to pursue an orderly wind-down of operations the Transport Companies require the flexible relief that is available under the *Companies’ Creditors Arrangement Act*, RSC, c C-36, as amended (the “**CCAA**”).

16. This affidavit is sworn in support of applications to be brought by TIC (the “**Applications**”) for an initial order (the “**Initial Order**”) under the CCAA in the form attached to the initial application (the “**Initial Application**”) filed in conjunction with my affidavit and for a subsequent extension Order which is intended to include the balance of the relief requested below (the “**Second Order**”).
17. I am advised by my counsel, McMillan LLP, that recent amendments to the CCAA, which were proclaimed in force on November 1, 2019, limit the scope of relief which can be granted under an initial order to that which is reasonably necessary during the first ten days of a CCAA proceeding. Accordingly, TIC intends to seek separately a “skinny” Initial Order that will apply during the first several days of these proceedings and a more comprehensive Second Order to extend the stay of proceedings granted under the Initial Order and provide for the balance of the relief discussed below.
18. Between the two Orders referred to above, TIC intends to seek this Court’s approval of:
 - (a) an administration charge (the “**Administration Charge**”) on the Property in the amount of \$100,000 pursuant to the Initial Order, which is intended to be increased to \$300,000 pursuant to the Second Order, to secure the payment of the fees of the proposed Monitor, MNP Ltd. (the “**Proposed Monitor**”), counsel to the Proposed Monitor, counsel to TIC, and counsel to the Transport Companies; and
 - (b) a sales process for the orderly sale of all of the assets and undertakings (the “**Property**”) of the Transport Companies (the “**Sales Process**”).

B. CORPORATE STRUCTURE AND BUSINESS OVERVIEW

19. The Transport Companies operate a transportation services business which specializes in transportation across winter and ice roads in the Western Provinces, the Yukon and the Northwest Territories.
20. Tłıchq Landtran is a corporation incorporated in the Northwest Territories, and extra-provincially registered in Alberta. The Limited Partner and the General Partner are

corporations incorporated in Alberta, with registered offices in Edmonton, Alberta. Ventures West LP is registered as a limited partnership in Alberta.

21. The Transport Companies' operations are headquartered in Sherwood Park, Alberta, where the Transport Companies lease office and yard space (the "Office Lease" and the "Yard Lease", respectively).
22. The Transport Companies provide bulk transportation services, with much of their business generated seasonally in February and March of each year during which time the winter roads are open and contracts are available to haul products (mainly fuel and cement) to various Northern diamond mines.
23. The Transport Companies operate a closely integrated and intertwined business. The assets of the Transport Companies are owned by various of the entities and are utilized by each of the Transport Companies in their operations. In addition, each of the Transport Companies benefits from the Office Lease and the Yard Lease (as defined below). There are also intercompany payables and receivables relating to the Office Lease, the Yard Lease and the use of equipment by each of the Transport Companies.
24. Given the seasonal nature of the business, the Transport Companies rely very heavily on a few contracts each year to earn revenue.

C. EMPLOYEES

25. The Transport Companies have approximately 40 employees, 37 of whom are employed by Ventures West LP and 3 of whom are employed by Tłchq Landtran.
 26. If the Initial Order is granted the Transport Companies intend to employ a small number of employees to assist with the Sales Process and the orderly wind-down of the Transport Companies.
 27. The employees of TIC will also continue to support the Transport Companies during the CCAA proceeding by continuing to provide certain accounting and management functions to the Transport Companies.
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THE FINANCIAL POSITION OF THE TRANSPORT COMPANIES

28. Since TIC's acquisition of the Transport Companies, the companies have recorded significant losses.
29. Attached hereto as **Exhibit "B"** are the unaudited financial statements of the Limited Partner for the year ended March 31, 2019 (the "**Limited Partner Financial Statements**"). For the year ended March 31, 2018, the Limited Partner reported a net loss of \$11,007,872 and a net loss for the year ended March 31, 2019, of \$7,837,972.
30. Attached hereto as **Exhibit "C"** are the consolidated financial statements of Ventures West LP for the year ended March 31, 2019 (the "**Ventures West Financial Statements**"). For the year ended March 31, 2018, Ventures West LP reported a net loss of \$7,711,116 and a net loss for the year ended March 31, 2019, of \$6,828,633.
31. Attached hereto as **Exhibit "D"** are the unaudited financial statements of Tłıchq Landtran for the year ended March 31, 2019 (the "**Tłıchq Landtran Financial Statements**"). For the year ended March 31, 2018, Tłıchq Landtran reported a net loss of \$94,856 and a net loss for the year ended March 31, 2019, of \$3,523,310.
32. The Transport Companies have therefore caused significant losses for each of the other Tłıchq Companies and TIC. As further discussed below, without relief under the CCAA, the Transport Companies will continue to incur losses, that might ultimately jeopardize the continued operations of the other Tłıchq Companies and the continued employment of their approximately 410 other employees. Any interruption of such operations would have significant negative consequences for the Northern people, businesses and communities served by the Tłıchq Companies.

ASSETS

33. The assets of the Transport Companies consist primarily of transport vehicles and a small amount of shop equipment.

34. The aggregate current assets of the Transport Companies as reported in the Limited Partner Financial Statements, the Ventures West Financial Statements and the Tłıchq Landtran Financial Statements for the year ended March 31, 2019, are approximately \$40.26 million.

D. LIABILITIES

35. As at October 31, 2019, the Transport Companies had over \$60 million in total liabilities, including:

- (a) the Transport Companies' unlimited guarantees of the CIBC Loan, pursuant to which there remains owing the amount of approximately \$15.6 million (as further discussed below);
- (b) outstanding litigation:
 - (i) against the General Partner related to a claim by Denesoline Corporation Ltd. ("**Denesoline**") in the amount of \$2.5 million;
 - (ii) against Tłıchq Landtran in the amount of approximately \$237,000 by Landtran Logistics Inc.;
- (c) the capital lease with Edmonton Kenworth Ltd. (a.k.a Paclease) which, if the lease is disclaimed pursuant to the CCAA proceeding is estimated to have a material shortfall;
- (d) the Office Lease and the Yard Lease for the Transport Companies' head office located in Sherwood Park, Alberta, which, if the Transport Companies vacated the premises outside of the CCAA proceedings, may require payment in excess of approximately \$750,000;
- (e) accounts payable in the amount of \$3,700,116; and

- (f) the intercompany advances from TIC and the other Tłchq Companies, which were made by way of the Transport Companies' withdrawals from the TIC Account in the net amount of \$37.6 million.
36. In light of the foregoing it appears that the Transport Companies are insolvent and there is no value which can be attributed to any of the shares issued by Tłchq Landtran, the General Partner and the Limited Partner or the unit interests of Ventures West LP.

E. INDEBTEDNESS

37. The largest creditors of the Transport Companies are CIBC and TIC and the other Tłchq Companies.
38. CIBC is the primary secured creditor of the Transport Companies. CIBC granted TIC a revolving demand facility pursuant to a commitment letter dated November 27, 2017 (the "2017 Commitment Letter"). The 2017 Commitment Letter was amended and restated on October 10, 2019, to, among other things, reduce the limit of the revolving demand facility to \$12 million (collectively, the "CIBC Loan"). There is currently \$15.6 million due and owing under the CIBC Loan.
39. Pursuant to the terms of the CIBC Loan, each of the Tłchq Companies guaranteed the repayment of the CIBC Loan. CIBC was also granted security over all present and after acquired personal property of the Tłchq Companies, including the Transport Companies.
40. As discussed above, TIC has made intercompany advances to the Transport Companies in the amount of \$37.6 million which have not been repaid.
41. CIBC has advised that it is supportive of a CCAA proceeding in respect of the Transport Companies, but only on the basis that CIBC is not subject to the stay of proceedings.
42. Other than CIBC, the parties with registrations against some or all of the Transport Companies in the Alberta and Northwest Territories Personal Property Registries (the "PPR") include: Canadian Western Bank, Edmonton Kenworth Ltd., Truck Zone Inc., Kal Tire A Corporate Partnership, Alberta Treasury Branches, SMS Equipment Inc., Komatsu
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International (Canada) Inc., Ford Credit Canada Leasing, Hay River Heavy Truck Sales Ltd., Enterprise Trailer Wizards Ltd., Calmont Leasing Ltd., Roynat Inc., TDF Group Inc., and Denesoline.

43. The above noted parties with registrations against the Transport Companies listed in the PPR appear to have primarily provided financing for the acquisition of light and heavy vehicles used in the business.

F. CASH MANAGEMENT SYSTEM

44. The Transport Companies manage their own payroll processing and remit employee taxes and deductions as required. The employees of the Transport Companies are paid bi-weekly, and their staffing levels and monthly wage costs fluctuate due primarily to the change in staffing levels to reflect the seasonality of the transport business.
45. As discussed further above, receipts and disbursements for the Transport Companies have historically been managed by TIC, primarily through the TIC Account.
46. I am advised by CIBC that if the Initial Order is granted the Transport Companies' would cease to have access to the TIC Account and would be granted an operating account with CIBC for the duration of the CCAA proceeding.

G. THE URGENT NEED FOR RELIEF UNDER THE CCAA

47. Given the seasonal nature of the business, the Transport Companies spend a significant amount of the year incurring expenses maintaining their fleet in preparation for the commencement of their seasonal work. In addition, as noted above the Transport Companies rely heavily on a few customers to earn the bulk of their revenue.
48. The Transport Companies' most significant contract was a five-year contract to supply fuel to a diamond mining operation located in the Northwest Territories (the "**Fuel Contract**"). The Transport Companies have provided fuel to the customer for approximately 10 years.
49. The Fuel Contract represented approximately 27% of the revenue of the Transport Companies, but such contract had historically been unprofitable for the Transport

Companies. The Transport Companies' most recent Fuel Contract expired and in 2019 the Transport Companies took steps to submit a bid for a new five year fuel contract. In an effort to ensure a modest profit margin could be made on the Fuel Contract, the Transport Companies' bid for the upcoming 5-year Fuel Contract included revised pricing as compared to previous years. However, the Transport Companies were ultimately unsuccessful in their bid to win the Fuel Contract for the next five years.

50. Outside of the Fuel Contract, the Transport Companies perform services under additional contracts, with the most significant three being for the supply of fuel and/or cement (the "**Additional Contracts**").
 51. The loss of the Fuel Contract resulted in the Transport Companies' revisiting their forecast for the 2020 fiscal year. It was determined that, should the Transport Companies operations be continued and the Transport Companies perform only the Additional Contracts, the Transport Companies would report an estimated net loss of approximately \$9.3 million.
 52. The forecasted losses to the Transport Companies due to the loss of the Fuel Contract are material and are in addition to years of significant losses already experienced by the Transport Companies.
 53. Given the long term financial difficulties faced by the Transport Companies, the Tłıchǵ Government and TIC engaged MNP Ltd. to assist them with conducting a strategic review of operations. Given their unsuccessful bid for the Fuel Contract, it was determined that the Transport Companies have material excess capacity and it is necessary to downsize their operations.
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H. TIC'S STANDING TO BRING THE INITIAL APPLICATION

54. Various options were considered to effect an orderly wind down of the Transport Companies' business and to sell the Transport Companies' assets for the benefit of their creditors.
55. In December of 2015, it appears that TIC, as the shareholder holding 90% of the voting shares of the General Partner and the Limited Partner, and Denesoline, as the shareholder holding 10% of the voting shares of the General Partner and the Limited Partner, agreed to be bound by amended unanimous shareholder agreements in respect of the General Partner (the "**General Partner USA**") and in respect of the Limited Partner (the "**Limited Partner USA**" and together, the "**USAs**") relating to each of the General Partner and the Limited Partner. Attached hereto as **Exhibits "E"** and "**F**" are copies of the USAs, along with all amendments thereto, for the General Partner and the Limited Partner, respectively.
56. The General Partner USA provides, unless otherwise agreed to with unanimous approval of the shareholders, that that the board of directors of the General Partner shall not authorize the General Partner to, and the shareholders shall not cause or permit the General Partner to, (i) undertake the institution of proceedings in respect of the General Partner or Ventures West LP under the *Bankruptcy and Insolvency Act* (Canada) or any other analogous laws or the filing of a proposal to settle payments of creditors' liabilities under the *Companies' Creditors Arrangement Act*, (ii) admit in writing the insolvency of the General Partner or Ventures West LP, or (iii) take any corporate action in furtherance of any of the aforesaid purposes. The Limited Partner USA provides the same in respect of the Limited Partner, its shareholders, and board of directors.
57. The USAs also purport to remove from the board of directors of the General Partner the power to supervise the management and affairs of the corporation.
58. Continuing to operate the Transport Companies' business under the circumstances is not tenable. The Transport Companies need to undergo a sales process in order to maximize value for stakeholders and to conduct an orderly wind-down of their operations while mitigating any risk of destabilization of the other Tiphq Companies. Given the issues

identified above, a court-supervised restructuring proceeding under the CCAA is the best way to accomplish these goals.

I. RELIEF SOUGHT

59. The Transport Companies do not have adequate liquidity to continue operations or the necessary stability to conduct the Sales Process and complete an orderly wind-down without a CCAA proceeding.

Stay of Proceedings

60. In order to provide breathing space for the Transport Companies to conduct the Sales Process and complete an orderly wind-down, the Transport Companies require a stay of proceedings. TIC is concerned about potential damage to, or dissipation of, the Property of the Transport Companies should a stay of proceedings not be granted.
61. Due to the tightknit nature of the business and personal relationships in the communities in which the Transport Companies conduct their business, I have been and remain very concerned about such risk in the event that word of the Transport Companies' CCAA proceedings gets out beyond a very narrow group. TIC shares this concern and, as a result, does not anticipate providing parties with ordinary notice of the Initial Application for the Initial Order. I anticipate that TIC will provide interested parties with notice of its Application for the Second Order in accordance with applicable rules for service.
62. A stay of proceedings will allow the Transport Companies to work with the Proposed Monitor to further develop and oversee the Sales Process, which will maximize the value of the assets of the business. This, in turn, will help to protect the interests of the stakeholders of the Respondents, including the remaining employees who will be able to continue to be employed during the CCAA proceedings, CIBC as the primary secured creditor of the Respondents, TIC and the remainder of the Tłchq Companies. Having regard to the circumstances, I believe that the granting of a stay of proceedings is in the best interests of the Transport Companies.
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Administration Charge

63. There are a number of financial and operational issues for which the Transport Companies will require the expertise of the Proposed Monitor during the proceedings. In my dealings and interaction to date with the Proposed Monitor I have determined that the proposed Monitor possesses expertise, not only in corporate restructuring matters generally, but also brings to bear insight and experience in connection with operational and financial issues experienced by entities such as the Transport Companies who are undergoing a restructuring.
64. The proposed Monitor, its counsel, and TIC's counsel are essential to the success of the proceedings.
65. Should the Transport Companies deem it appropriate to retain counsel, I believe it would be appropriate for such counsel's reasonable fees and disbursements to be secured by the Administration Charge.
66. Based on the cash flow forecast prepared with the assistance of the Proposed Monitor and appended to the report of the Proposed Monitor filed in these proceedings (the "**Cash Flow Forecast**"), the anticipated professional fees over the reporting period for the Proposed Monitor, its counsel, TIC's counsel and the Transport Companies' counsel, as applicable, are approximately \$340,000. TIC therefore seeks a first ranking Administration Charge against the Property in the maximum amount of \$100,000 pursuant to the Initial Order, which is intended to be increased to \$300,000 pursuant to the Second Order, to secure the fees and disbursements incurred in connection with services rendered to TIC both before and after the commencement of the proceedings, and to the Transport Companies (as applicable), after the commencement of the proceedings, by:
 - (a) the proposed Monitor and its counsel, Cassels Brock and Blackwell LLP;
 - (b) McMillan LLP, TIC's counsel;
 - (c) counsel to the Transport Companies, should the Transport Companies determine it necessary to retain such counsel.

67. Based on the Cash Flow Forecast TIC does anticipate that the fees and expenses secured by the Administration Charge would be more than \$100,000 during the first week of the proceeding.

The Sales Process

68. TIC has, in consultation with the Proposed Monitor, developed a sales process, which is intended to be implemented immediately upon the granting of an order approving same. The sales process contemplates that the Transport Companies' Property will be marketed in an open and transparent manner by the Transport Companies with the assistance of the Proposed Monitor.
69. The Sale Process contemplates the following milestone deadlines:
- (a) sending information summary to prospective purchasers by December 9, 2019,
 - (b) Publishing notice of the Sale Process in the newspaper on or before December 13, 2019;
 - (c) data room access provided to all parties who sign confidentiality agreements up to February 7, 2019;
 - (d) viewings for interested parties up to February 7, 2019; and
 - (e) deadline for receipt of binding offers by February 7, 2019.

Wind-Down

70. Should an Initial Order be granted the Transport Companies intend to disclaim the majority of their contracts on 30 days notice to each of the counterparties. This will allow an orderly termination of such contracts and the preservation of the assets of the Transport Companies while the Sales Process is ongoing.
71. The Transport Companies intend to keep the Yard Lease during the proceedings in order to consolidate and store their Property for the Sales Process.

72. The Transport Companies also intend to identify a subcontractor to perform a contract for the delivery of cement to a northern diamond mine, which if successful will provide a small amount of revenue to support the wind-down and the Sales Process.
73. If an Initial Order is granted the Transport Companies intend to terminate the majority of their employees. The Transport Companies intend to employ three employees for a further thirty days and one employee throughout the CCAA proceeding, which will allow the Transport Companies to conduct an orderly closure of their office in Sherwood Park, Alberta, and to ensure the return of the transport vehicles to the yard.

Possible Plan of Compromise or Arrangement

74. I am advised by representatives of the Tłı̨chǫ Government that the Tłı̨chǫ Government is considering whether or not to make available a fund of money for distributions to unsecured creditors. If made available, such a fund could form the basis of a plan of compromise or arrangement to be made to the unsecured creditors of the Transport Companies. It is very unlikely that such a distribution would be available if the Transport Companies were to become bankrupt.

Procedural Matters

75. As discussed above, the Transport Companies operate as an integrated enterprise. The Sherwood Park office and yard space has historically provided general management, accounting, human resources, mechanical inspection and maintenance, and sales and marketing functions for the Transport Companies on an integrated basis. The Transport Companies' major creditor, CIBC, is also located in Alberta.
76. It is therefore most expedient and efficient that the restructuring be implemented through one CCAA proceeding that is overseen and directed by the Court in Edmonton, which is the home jurisdiction of the General Partner and the Limited Partner and the nerve centre of the Transport Companies' management, business and operations.
77. As the ultimate parent company of Tłı̨chǫ Landtran, the majority shareholder of the General Partner and the Limited Partner, and as a creditor of the Transport Companies

through its various intercompany advances, TIC is interested in the Transport Companies and seeks relief under the CCAA in order to support the completion of the Sales Process and the orderly wind-down of the companies.

78. I make this affidavit in support of the relief sought in the Applications filed concurrently with this my affidavit.

SWORN (~~OR AFFIRMED~~) BEFORE ME at)
City of Yellowknife, in the Northwest Territories)
this 27th day of November, 2019)


(Commissioner for Oaths for the Northwest Territories)


(Signature)

MARK BRAJER
(Print Name)

PRINT NAME AND EXPIRY/LAWYER /STUDENT AT LAW



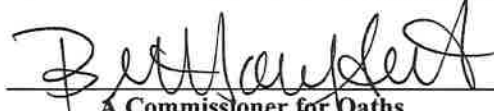
Brittany J.A. Scott
Barrister & Solicitor, Notary Public
and a Commissioner for Oaths
in and for the Northwest Territories.
My Commission does not expire.

EXHIBIT "A"

This is Exhibit "A" referred to in the Affidavit of

MARK BRAJER

Sworn before me this 27th day of November, 2019


A Commissioner for Oaths
in and for the Northwest Territories

Brittany J.A. Scott
Barrister & Solicitor, Notary Public
and a Commissioner for Oaths
in and for the Northwest Territories.
My Commission does not expire.

Tłchq Investment Corporation

October _10_, 2019

Private and Confidential

Tłchq Investment Corporation

Attn: Mark Brajer, President/Chief Executive Officer

Dear Mr. Brajer,

Re: Demand Loan

We are pleased to offer Tłchq Investment Corporation a term loan subject to the terms and conditions set out below (the "Loan"). All amounts are in Canadian Dollars.

- Interpretation:** All capitalized terms used and not otherwise defined in this agreement (the "Loan Agreement") have the meanings given to them in Schedule A.
- Borrower:** Tłchq Investment Corporation (the "Borrower").
- Lender:** Tłchq Government (the "Lender").
- Closing Date:** October 10, 2019 or such later date as the parties may agree upon in writing.
- Committed Amount:** The Loan will be in the principal amount of \$7,000,000.
- Availability:** Subject to the terms and conditions of this Loan Agreement, the Lender shall transfer to the Borrower the Committed Amount within five¹ Business Days of the Closing Date (the "Transfer").
- Repayment:** Except as otherwise noted herein, the Loan shall be repayable in full on the Maturity Date.
- Purpose:** The Borrower shall use the proceeds of the Transfer, exclusively for the purpose of advancing the business affairs of the Borrower as disclosed to the Lender.
- Term and maturity:** The Outstanding Principal shall be repaid in equal quarterly payments of \$500,000 beginning on April 1st, 2020, provided that the Lender may provide written permission for the Borrower to delay one or more payments of Outstanding Principal, and the balance of the Outstanding Principal shall be repaid in full on the demand of the Lender (the "Maturity Date").

¹ Note: CIBC will likely expect payment within fewer than five Business Days.

Optional Prepayment: The Borrower shall have the right (but not the obligation) to prepay all or any portion of the outstanding Obligations at any time prior to the Maturity Date and in any amount without penalty, premium or bonus.

Interest: Outstanding Principal, both before and after default and maturity, shall bear interest ("Interest") at a rate of 6% per annum, calculated quarterly in arrears and not in advance (the "Interest Rate").

Interest shall be payable on the first Business Day of each of the months of January, April, July and October of each calendar year during the term of the Loan (each, an "Interest Payment Date").

All interest payable shall accrue on a daily basis on the outstanding Principal (including, for greater certainty, any capitalized interest, fees and expenses) of such Principal remaining unpaid from time to time and on the basis of the actual number of days elapsed and for a year of 365 days.

For the purpose of the *Interest Act* (Canada), the annual rates of interest to which the rates calculated in accordance with the foregoing paragraphs of this Interest provision are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

Interest payable under this provision is payable both before and after any demand and judgment.

The Lender may provide written permission for the Borrower to defer interest payment(s) provided that such deferral shall be added to the Committed Amount and continue to bear Interest as set out herein.

Evidence of Indebtedness: The Lender shall maintain records evidencing any payment of Outstanding Principal or Interest by the Borrower hereunder and the applicable Interest Rate. The Lender shall record the principal amount advanced to the Borrower, the Interest Rate applicable from time to time, the repayment of any Outstanding Principal, the payment of any Interest, and the payment of all other amounts becoming due to the Lender. The Lender's records shall constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Lender hereunder. The Lender shall provide the Borrower with copies of such records on request from the Borrower, acting reasonably.

Conditions to Transfer: The obligation of the Lender to make the Transfer under this Loan Agreement is subject to and conditional upon the receipt,

on or before the Closing Date, in form and substance satisfactory to the Lender, of each of the following deliverables or documents:

- (a) this Loan Agreement executed and delivered in counterpart by the Borrower;
- (b) such other certificates, documents and other instruments as may be reasonably requested by the Lender.

Representations and Warranties:

The Borrower represents and warrants to the Lender as of the Closing Date, and at all times thereafter when any Obligations are outstanding, that:

- (a) the Borrower is a corporation validly existing under the laws of Canada;
- (b) the Borrower has all necessary corporate power and capacity to execute and deliver delivered this Loan Agreement and each other Loan Document;
- (c) the Borrower has validly executed and delivered this Loan Agreement which constitutes a legal, valid and binding obligation of the Borrower enforceable against it in accordance with its terms, except to the extent that such enforcement may be restricted by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and subject to the discretion of a court in regard to the remedy of specific performance and other equitable remedies;
- (d) the execution and delivery by the Borrower of this Loan Agreement and the performance of its obligations hereunder and thereunder do not and will not (i) violate any law, regulation or rule by which the Borrower is bound, (ii) result in a breach of, a default under any agreement or instrument to which the Borrower is a party or by which the Borrower or its properties and assets may be bound or affected, or (iii) result in a breach of any of Borrower's constating documents;
- (e) all information furnished by the Borrower to the Lender pertaining to the Borrower for the purposes of this Loan Agreement and the transactions contemplated hereby, taken as a whole, as of the date of preparation thereof, is true, accurate and complete in all material respects and omits no material fact known to the Borrower, the absence of which would make the information or statements contained therein misleading in light of the circumstances in which the same were made;

- (f) no authorization, consent, approval, license, exemption or other action by, and no registration, qualification, designation, declaration or filing with, any Governmental Authority is or will be necessary in connection with the execution and delivery by it of this Loan Agreement, consummation of the transactions herein or therein contemplated, performance of or compliance by it with the terms and conditions hereof or thereof or the legality, validity or enforceability hereof or thereof, except for such as have been validly obtained, given or filed and are in full force and effect, or as to which failure to obtain or give is not individually or in the aggregate material; and

Covenants:

The Borrower covenants and agrees with the Lender, while this Loan Agreement is in effect or any Obligation is outstanding:

- (a) to pay or cause to be paid all sums of money when due under this Loan Agreement;
- (b) to provide the Lender with a copy of information pertaining to the Borrower as the Lender may reasonably request;
- (c) at any reasonable time and from time to time, permit the Lender or any agents or representatives thereof, at the Lender's expense, to examine and make copies of and abstracts from the records and books of account of the Borrower, and to discuss the affairs, finances and accounts of the Borrower with any of its officers and with its independent chartered accountants, all as often as may reasonably be necessary to ensure compliance by the Borrower with its obligations hereunder;
- (d) not to violate or breach any federal, local or foreign laws and regulations applicable to it, the violation of which could have a Material Adverse Effect;
- (e) to notify the Lender in writing, promptly:
 - (i) of any breach of the terms of this Agreement;
 - (ii) of any material change in the information provided under the Representations and Warranties;
 - (iii) of any Material Adverse Change in the business or financial condition of the Borrower; or
 - (iv) of any Default or Event of Default;
- (f) not to change its name or jurisdiction of incorporation without giving the Lender at least 45 days prior notice in writing of such change; and

- (g) at the reasonable request of the Lender at any time and from time to time to, at the Borrower's expense, duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments, and do or cause to be done such further acts as may be necessary or proper to evidence, maintain, enforce and to otherwise effectuate the provisions or purposes of this Loan Agreement (subject to the other restrictions on amendments set out herein).

Events of Default:

Without limiting any other rights of the Lender under this Loan Agreement or the demand nature of the Loan, if any one or more of the following events (each, an "Event of Default") has occurred and is continuing:

- (a) the Borrower fails to pay when due any Interest within five (5) Business Days following the related Interest Payment Date;
- (b) the Borrower fails to pay any amounts owing under this Loan Agreement, to the extent not included in paragraph (a) above, within five (5) Business Days following receipt of notice of demand therefor from the Lender;
- (c) the Borrower breaches any provision of this Loan Agreement and the Borrower fails to remedy such breach within five (5) Business Days of receipt of written notice thereof from the Lender;
- (d) any representation or warranty made or deemed to have been made herein or in any certificate or security provided for herein shall be false or inaccurate in any materially adverse respect;
- (e) there has occurred, in the opinion of the Lender, a Material Adverse Change in the financial condition or operation of the Borrower;
- (f) the Borrower becomes unable or admits in writing its inability or fails generally to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent, and such judgment or declaration is not stayed, dismissed or vacated within 15 Business Days;
- (g) any notice of intention is filed or any voluntary or involuntary case or proceeding is filed or commenced for (i) the bankruptcy, liquidation, winding-up, dissolution or suspension of general operations of the Borrower, or (ii) the composition, re-scheduling, reorganization, arrangement or readjustment of, or other relief from, or

stay of proceedings to enforce, some or all of the debts of the Borrower, or (iii) the appointment of a trustee, receiver, receiver and manager, liquidator, administrator, custodian or other official for all or any significant part of the assets of the Borrower, or (iv) the possession, foreclosure or retention, or sale or other disposition of, or other proceedings to enforce security over, all or any significant part of the assets of the Borrower, and notice, case or proceeding is not revoked, stayed, dismissed or vacated within 15 Business Days;

- (h) any secured creditor, encumbrancer or lienor, or any trustee, receiver, receiver and manager, agent, bailiff or other similar official appointed by or acting for any secured creditor, encumbrancer or lienor, takes possession of, or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security over all or any significant part of the assets of the Borrower or gives notice of its intention to do any of the foregoing, unless such taking, foreclosure, proceeding or notice is rescinded, stayed, dismissed, vacated or revoked within 15 Business Days;
- (i) then, in such event, the Lender may, by written notice to the Borrower, declare the Obligations outstanding under the Loan to be immediately due and payable, and, upon the occurrence of any of the events listed in paragraph (f) above, the Lender shall be deemed to have given such notice automatically. Upon receipt or deemed receipt of such written notice, the Borrower shall immediately pay to the Lender all Obligations then outstanding and in default of such payment.

**Set-off and
Deductions:**

All payments to be made by or on behalf of the Borrower under or with respect to the Obligations under this Loan Agreement are to be made free and clear of any set-off whatsoever and without deduction or withholding of whatsoever nature.

**General
Indemnity:**

The Borrower shall indemnify the Lender, its members, directors, officers and employees (each an "Indemnified Person") and hold each of them harmless from and against all losses, damages, costs, expenses (including reasonable legal fees, charges and disbursements of counsel) and liabilities, including those arising from any litigation or other proceedings which such Indemnified Person sustains or incurs as a consequence of or related to any of the provisions of this Loan Agreement or any other Loan Document or the transactions contemplated thereunder, including any enforcement or realization actions or proceedings; provided, however, that the Borrower shall not be required to indemnify any Indemnified Person in respect of any matter arising from the

gross negligence or wilful misconduct of such Indemnified Person nor the failure of the Indemnified Person to comply with all applicable laws; nor shall the Borrower be required to indemnify any Indemnified Person for amounts paid by such Person in settlement of any claim, action or proceeding unless the Borrower shall have first consented in writing to the terms of such settlement, such consent not to be unreasonably withheld or delayed.

These general indemnity provisions shall survive termination of this Loan Agreement and the repayment in full of all amounts owing hereunder.

Successors and Assigns:

This Loan Agreement shall be binding upon and enure to the benefit of the Lender and its successors and permitted assigns, the Borrower and its successors and permitted assigns.

Amendments:

No amendment, supplement, restatement or termination of any provision of this Loan Agreement is binding unless it is in writing and signed by each person that is a party to this Loan Agreement at the time of the amendment, supplement, restatement or termination.

Severability:

If any provision of this Loan Agreement is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor shall it invalidate, affect or impair any of the remaining provisions.

Governing Law:

This Loan Agreement shall be governed by and construed and enforced in accordance with the laws of the Northwest Territories and the laws of Canada applicable in the Northwest Territories. The parties hereto consent and agree that the courts of the Northwest Territories shall have non-exclusive jurisdiction to hear and determine any claims or disputes pertaining to this Loan Agreement or to any matter arising out of or relating to this Loan Agreement.

Schedules:

The Schedules attached to this Loan Agreement are incorporated in this Loan Agreement by reference as if set out in full herein.

Entire Agreement:

This Loan Agreement and any agreements delivered pursuant to or referenced in this Loan Agreement constitute the whole and entire agreement between the parties and cancel and supersede any prior agreements including undertakings, declarations or representations, written or verbal, in respect of the Loan.

Paramountcy:

In the event of a conflict or inconsistency between this Loan Agreement and any other Loan Document, the provisions of this

Loan Agreement shall prevail to the extent of such conflict or inconsistency.

**Further
Assurances:**

The Borrower shall from time to time promptly execute and deliver or cause to be executed and delivered all further documents and take all further action necessary to give effect to the provisions and intent of this Loan Agreement and to complete the transactions contemplated by this Loan Agreement.

Business Days:

Any payment or calculation to be made or any action to be taken under this Loan Agreement on or as of a day that is not a Business Day shall be made or taken on the Business Day immediately preceding such day and any computation of interest shall be adjusted accordingly.

**Counterparts; Electronic
Delivery:**

This Loan Agreement and any amendment, supplement, restatement or termination of any provision of this Loan Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument. Each party may validly deliver an executed counterpart of this Loan Agreement to the other by transmitting an electronic copy thereof by facsimile or electronic mail.

Notice:

Whenever a party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given if delivered personally or sent by telecopier, electronic mail or prepaid mail to the telecopier number, e-mail address or mailing address of the party stated below or to such other telecopier number, e-mail address or mailing address as the party may notify to the other from time to time under this provision.

Any such notice, request or other communication if delivered or mailed, shall be deemed to have been given when received and, if e-mailed or telecopied before 4:30 p.m. on a Business Day, shall be deemed to have been received on that day, and if e-mailed or telecopied at any other time, shall be deemed to have been received on the Business Day next following the date of transmission.

The address of the Borrower is:

Box 1567, Yellowknife, NT X1A 2P2[•]

Attention: Mark Brajer, President/Chief Executive Officer

Telephone: 1-867-447-0407

E-mail: mbrajer@tlichoic.com

The address of the Lender is:

PO Box 412, Behchokò, NT X0E 0Y0

Attention: Laura Duncan, Tìchò Executive Officer

Telephone: 1-867-766-4003 ext 1003

Facsimile: 1-867-766-3441

E-mail: lauraduncan@tlcho.com

Miscellaneous:


Any reference in this Loan Agreement to gender includes all genders, and words importing the singular number also include the plural and vice versa.

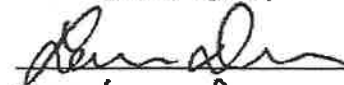
[THIS SPACE INTENTIONALLY LEFT BLANK]

Please acknowledge your acceptance of the above terms and conditions by signing a copy of this Loan Agreement in the space provided below and returning a copy of the same to the undersigned.

Sincerely,

Tl̓ichq Government, as the Lender

By: 
Name: George Mackenzie
Title: Grand Chief

By: 
Name: Laura Duncan
Title: Tl̓icho Executive Officer.

The undersigned acknowledges and accepts the terms and conditions of this Loan Agreement as of the date first above written.

Tl̓ichq Investment Corporation, as the Borrower

By: 
Name: Mark Brajer
Title: Chief Executive Officer

By: 
Name: Zakar Hovhannisyan
Title: CFO

SCHEDULE A

- (1) ***Business Day*** means a day, excluding Saturday, Sunday, and any other day which in the Northwest Territories, is a legal holiday or a day on which banking institutions are closed.
- (2) ***Canadian Dollars*** and **\$** shall each mean lawful currency of Canada.
- (3) ***Closing Date*** means the date set out in the section of this Loan Agreement entitled "Closing Date".
- (4) ***Default*** means an event that with the passage of time, or giving of notice, or both, would become an Event of Default.
- (5) ***Event of Default*** the meaning given to such term in the section of this Loan Agreement entitled "Events of Default".
- (6) ***Fiscal Year*** means, in relation to the Borrower, the 12 month period commencing on April 1 of each calendar year and ending on March 31 of the following calendar year.
- (7) ***Fiscal Year End*** means, in relation to any Fiscal Year, March 31 of such Fiscal Year.
- (8) ***GAAP*** means, at any time, accounting principles generally accepted in Canada as recommended in the Handbook of the Canadian Institute of Chartered Accountants at the relevant time applied on a consistent basis (except for changes accepted by the Borrower's independent auditors in accordance with promulgations of the Canadian Institute of Chartered Accountants).
- (9) ***Governmental Authority*** means any country or government, any province, state or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.
- (10) ***Interest, Interest Payment Date*** and ***Interest Rate*** have the respective meanings given to such terms in the section of this Loan Agreement entitled "Interest".
- (11) ***Lien*** means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, adverse claim, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing), and the filing of, or agreement to give, any financing statement perfecting a security interest under the PPSA or comparable law of any jurisdiction.
- (12) ***Material Adverse Effect*** or ***Material Adverse Change*** means in the opinion of the Lender acting reasonably, a material adverse effect on, or material adverse change in, (a) the operations, business or financial condition of the Borrower; (b) the ability of the Borrower to perform its obligations under this Loan Agreement and (c) the Lender's ability to enforce its rights and remedies granted under this Loan Agreement or any other Loan Document, in all cases whether attributable to a single circumstance or event or an aggregation of circumstances or events.

(13) ***Obligations*** means all indebtedness, liabilities and obligations of the Borrower to the Lender of any class or nature, arising under or in connection with this Loan Agreement, whether now existing or hereafter incurred, whether for principal, interest, fees, expenses, indemnities or otherwise, including, without limitation, future advances of any sort, the unpaid principal amount of, and accrued interest on, the Loan, and any expenses of collection or protection of the Lender's rights in respect of the Loan, including reasonable legal fees.

(14) ***Outstanding Principal*** means, at any time, the principal amount of the Transfer outstanding and unpaid at such time.

(15) ***Person*** means an individual, corporation, partnership, trust, incorporated or unincorporated organization, joint venture, joint stock company, or a government or any agency or political subdivision thereof or other entity of any kind.


(16) ***PPSA*** means the *Personal Property Security Act (NWT)*, as the same may, from time to time, be amended or replaced and be in effect in the Northwest Territories.

EXHIBIT "B"

This is Exhibit "B" referred to in the Affidavit of

MARK BRAJER

Sworn before me this 27th day of November, 2019


A Commissioner for Oaths
in and for the Northwest Territories

Brittany J.A. Scott
Barrister & Solicitor, Notary Public
and a Commissioner for Oaths
in and for the Northwest Territories.
My Commission does not expire.

1456982 Alberta Ltd.

Financial Statements
(Unaudited – See Notice to Reader)
March 31, 2019



July 25, 2019

Notice to Reader

On the basis of information provided by management, we have compiled the balance sheet of 1456982 Alberta Ltd. as at March 31, 2019 and the statements of operations, deficit and cash flows for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these financial statements may not be appropriate for their purposes.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

PricewaterhouseCoopers LLP
Stantec Tower, 10220 103 Avenue NW, Suite 2200, Edmonton, Alberta, Canada T5J 0K4
T: +1 780 441 6700, F: +1 780 441 6776

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

1456982 Alberta Ltd.

Balance Sheet

(Unaudited – See Notice to Reader)

As at March 31, 2019

	2019 \$	2018 \$
Assets		
Current assets		
Cash	-	286,768
Accounts receivable	53,159	-
Due from related party	196,500	601,839
	<u>249,659</u>	<u>888,607</u>
Property and equipment	<u>20,809,932</u>	<u>23,282,147</u>
	<u>21,059,591</u>	<u>24,170,754</u>
Liabilities		
Current liabilities		
Bank overdraft	10,637,418	-
Accounts payable and accrued liabilities	26,415	750
Dividends payable	3,368,995	3,743,328
Obligations under capital lease	146,408	224,968
Shareholder loan	-	1,119,023
Due to related party	8,568	7,339,026
	<u>14,187,804</u>	<u>12,427,095</u>
Obligations under capital lease	25,713	158,456
Shareholder loan	-	2,395,195
Liability on losses in excess of investment carrying value	13,853,362	7,031,558
Future income tax liability	-	1,327,766
	<u>28,066,879</u>	<u>23,340,070</u>
Shareholders' (Deficiency) Equity		
Share capital	3,788,841	3,788,841
Contributed surplus	12,248,955	12,248,955
Deficit	<u>(23,045,084)</u>	<u>(15,207,112)</u>
	<u>(7,007,288)</u>	<u>830,684</u>
	<u>21,059,591</u>	<u>24,170,754</u>

Approved by the Board of Directors

Director_____
Director

1456982 Alberta Ltd.
Statement of Deficit
(Unaudited – See Notice to Reader)
For the year ended March 31, 2019

	2019 \$	2018 \$
Balance – Beginning of year	(15,207,112)	(4,199,240)
Net loss for the year	<u>(7,837,972)</u>	<u>(11,007,872)</u>
Balance – End of year	<u>(23,045,084)</u>	<u>(15,207,112)</u>

1456982 Alberta Ltd.
Statement of Operations
(Unaudited – See Notice to Reader)
For the year ended March 31, 2019

	2019 \$	2018 \$
Revenue	-	-
Expenses		
Amortization	2,438,946	5,100,046
Interest on obligations under capital lease	20,551	57,479
Interest on long-term debt	88,778	179,207
General and administration	2,514	30,901
	<u>2,550,789</u>	<u>5,367,633</u>
Loss before other income (expenses) and income taxes	<u>(2,550,789)</u>	<u>(5,367,633)</u>
Other income (expenses)		
Management fees	187,142	572,618
Loss of Ventures West Transport Limited Partnership	(6,821,804)	(7,703,405)
Loss on impairment of property and equipment	-	(800,000)
Other income	37,221	-
Loss on disposal of property and equipment	(17,508)	-
	<u>(6,614,949)</u>	<u>(7,930,787)</u>
Loss before income tax recovery	<u>(9,165,738)</u>	<u>(13,298,420)</u>
Income tax recovery – future	<u>(1,327,766)</u>	<u>(2,290,548)</u>
Net loss for the year	<u>(7,837,972)</u>	<u>(11,007,872)</u>

1456982 Alberta Ltd.
Statement of Cash Flows
(Unaudited – See Notice to Reader)
For the year ended March 31, 2019

	2019 \$	2018 \$
Cash provided by (used in)		
Operating activities		
Net loss for the year	(7,837,972)	(11,007,872)
Items not affecting cash		
Amortization of property and equipment	2,438,946	5,100,046
Loss on impairment of property and equipment	-	800,000
Loss on disposal of property and equipment	17,508	-
Future income taxes	(1,327,766)	(2,290,548)
Loss of Ventures West Transport Limited Partnership	6,821,804	7,703,405
	<u>112,520</u>	<u>305,031</u>
Net change in non-cash working capital items	(27,494)	56,012
	<u>85,026</u>	<u>361,043</u>
Investing activities		
Purchase of property and equipment	(76,627)	(69,239)
Proceeds from disposal of property and equipment	-	-
Repayment of (advances on) amounts due from related party	405,339	(601,839)
	<u>328,712</u>	<u>(671,078)</u>
Financing activities		
Repayment of shareholder loan	(3,514,218)	(1,069,312)
Repayment of obligations under capital lease	(118,915)	(785,622)
Repayment of (advances from) amounts due to related party	(7,330,458)	2,027,943
Dividends paid	(374,333)	-
Increase in bank overdraft	10,637,418	-
	<u>(700,506)</u>	<u>173,009</u>
Decrease in cash during the year	(286,768)	(137,026)
Cash – Beginning of year	286,768	423,794
Cash – End of year	-	286,768

EXHIBIT "C"

This is Exhibit "C" referred to in the Affidavit of

MARK BRAJER

Sworn before me this 27th day of November, 2019



A Commissioner for Oaths

in and for the Northwest Territories

Brittany J.A. Scott

Barrister & Solicitor, Notary Public
and a Commissioner for Oaths
in and for the Northwest Territories.
My Commission does not expire.

**Ventures West Transport
Limited Partnership**

Financial Statements
(Unaudited – See Notice to Reader)
March 31, 2019



July 25, 2019

Notice to Reader

On the basis of information provided by management, we have compiled the balance sheet of Ventures West Transport Limited Partnership as at March 31, 2019 and the statements of operations, partners' deficit and cash flows for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these financial statements may not be appropriate for their purposes.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

PricewaterhouseCoopers LLP
Stantec Tower, 10220 103 Avenue NW, Suite 2200, Edmonton, Alberta, Canada T5J 0K4
T: +1 780 441 6700, F: +1 780 441 6776

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Ventures West Transport Limited Partnership

Balance Sheet

(Unaudited – See Notice to Reader)

As at March 31, 2019

	2019 \$	2018 \$
Assets		
Current assets		
Accounts receivable	10,653,555	13,963,315
Inventory	426,919	584,152
Prepaid expenses	4,064	2,712
Due from related parties	3,099,020	12,180,470
	<u>14,183,558</u>	<u>26,730,649</u>
Liabilities		
Current liabilities		
Bank overdraft	16,577,659	20,315,162
Accounts payable and accrued liabilities	11,214,086	13,428,099
Due to related party	233,058	-
	<u>28,024,803</u>	<u>33,743,261</u>
Partners' Deficit	<u>(13,841,245)</u>	<u>(7,012,612)</u>
	<u>14,183,558</u>	<u>26,730,649</u>

Approved by the Partnership

_____ Partner

_____ Partner

Ventures West Transport Limited Partnership

Statement of Partners' Deficit

(Unaudited – See Notice to Reader)

For the year ended March 31, 2019

	1456982 Alberta Ltd. \$	1456998 Alberta Ltd. \$	Total \$
Balance – March 31, 2017	671,847	26,657	698,504
Net loss for the year	<u>(7,703,405)</u>	<u>(7,711)</u>	<u>(7,711,116)</u>
Balance – March 31, 2018	(7,031,558)	18,946	(7,012,612)
Net loss for the year	<u>(6,821,804)</u>	<u>(6,829)</u>	<u>(6,828,633)</u>
Balance – March 31, 2019	<u>(13,853,362)</u>	<u>12,117</u>	<u>(13,841,245)</u>

Ventures West Transport Limited Partnership

Statement of Operations

(Unaudited – See Notice to Reader)

For the year ended March 31, 2019

	2019 \$	2018 \$
Revenues	<u>47,558,054</u>	<u>43,625,098</u>
Direct expenses		
Trades and subcontracts	16,317,041	16,882,346
Fuel and oil	10,510,925	7,974,792
Wages and benefits	7,251,644	6,679,622
Supplies	5,365,957	2,171,978
Trailer rentals	2,414,320	2,618,819
Trailer repairs	1,668,185	1,569,675
Truck repairs	1,303,406	1,873,932
Northern expenses	1,275,731	1,040,446
Insurance	1,228,727	622,230
Truck rentals	1,222,540	728,601
Licences	765,703	787,694
Repairs and maintenance	418,100	-
Trailer tires	345,566	260,023
Truck tires	53,172	96,398
	<u>50,141,017</u>	<u>43,306,556</u>
Gross (loss) margin – 5%; (2018 – 1%)	(2,582,963)	318,542
General and administration expenses	<u>5,245,046</u>	<u>4,674,953</u>
Net loss before other income (expenses)	<u>(7,828,009)</u>	<u>(4,356,411)</u>
Other income (expenses)		
Management fees	999,376	1,331,085
Goodwill impairment	-	(4,685,790)
	<u>999,376</u>	<u>(3,354,705)</u>
Net loss for the year	<u>(6,828,633)</u>	<u>(7,711,116)</u>

Ventures West Transport Limited Partnership

Statement of Cash Flows

(Unaudited – See Notice to Reader)

For the year ended March 31, 2019


	2019 \$	2018 \$
Cash provided by (used in)		
Operating activities		
Net loss for the year	(6,828,633)	(7,711,116)
Item not affecting cash		
Goodwill impairment	-	4,685,790
Net change in non-cash working capital items	1,251,628	5,672,645
	<u>(5,577,005)</u>	<u>2,647,319</u>
Investing activities		
Repayment of (advances on) amounts due from related parties	9,081,450	(514,613)
Financing activities		
Advances from related party	233,058	-
Repayment of bank overdraft	(3,737,503)	(2,132,706)
	<u>(3,504,445)</u>	<u>(2,132,706)</u>
Change in cash during the year	-	-
Cash – Beginning of year	-	-
Cash – End of year	<u>-</u>	<u>-</u>

EXHIBIT "D"

This is Exhibit "D" referred to in the Affidavit of

MARK BRAJER

Sworn before me this 27th day of November, 2019



A Commissioner for Oaths
in and for the Northwest Territories

Brittany J.A. Scott
Barrister & Solicitor, Notary Public
and a Commissioner for Oaths
in and for the Northwest Territories.
My Commission does not expire.

Tlichon Landtran Transport Ltd.

Financial Statements
(Unaudited)
March 31, 2019



July 25, 2019

Independent Practitioner's Review Engagement Report

**To the Shareholder of
Tlicho Landtran Transport Ltd.**

Report on the financial statements

We have reviewed the accompanying financial statements of Tlicho Landtran Transport Ltd. that comprise the balance sheet as at March 31, 2019 and the statements of operations and deficit and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting described in note 3 to the financial statements, which includes determining that the basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

*PricewaterhouseCoopers LLP
Stantec Tower, 10220 103 Avenue NW, Suite 2200, Edmonton, Alberta, Canada T5J 0K4
T: +1 780 441 6700, F: +1 780 441 6776*

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Tlichu Landtran Transport Ltd. as at March 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with the basis of accounting described in note 3 to the financial statements.

Emphasis of matter

Without qualifying our conclusion, we draw attention to note 1 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about Tlichu Landtran Transport Ltd.'s ability to continue as a going concern.

Basis of accounting and restriction on distribution and use

Without modifying our conclusion, we draw attention to note 3 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Tlichu Landtran Transport Ltd. in meeting the needs of its lender and its parent (Tlichu Investment Corporation). As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Tlichu Landtran Transport Ltd., its parent and its lender, and should not be distributed to or used by parties other than Tlichu Landtran Transport Ltd., its parent and its lender.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Tlich Landtran Transport Ltd.

Balance Sheet

(Unaudited)

As at March 31, 2019

	2019 \$	2018 \$
Assets		
Current assets		
Accounts receivable (notes 10 and 12)	4,269,889	13,524,090
Due from related parties (note 5)	575,178	31,550
Inventory	172,373	172,373
Prepaid expenses and deposits	-	9,500
	<u>5,017,440</u>	<u>13,737,513</u>
Future income taxes	-	26,000
Property and equipment (note 4)	<u>2,365,386</u>	<u>273,299</u>
	<u>7,382,826</u>	<u>14,036,812</u>
Liabilities		
Current liabilities		
Bank indebtedness (note 6)	8,601,277	6,285,281
Accounts payable and accrued liabilities (note 7)	4,289,958	5,762,163
Due to related parties (note 5)	456,270	4,396,794
Obligations under capital lease (note 8)	35,679	33,943
	<u>13,383,184</u>	<u>16,478,181</u>
Obligations under capital lease (note 8)	<u>53,693</u>	<u>89,372</u>
	<u>13,436,877</u>	<u>16,567,553</u>
Shareholder's Deficiency		
Share capital (note 9)	100	100
Deficit	<u>(6,054,151)</u>	<u>(2,530,841)</u>
	<u>(6,054,051)</u>	<u>(2,530,741)</u>
	<u>7,382,826</u>	<u>14,036,812</u>
Going concern (note 1)		
Commitments (note 11)		

Approved by the Board of Directors

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements.

Tlichu Landtran Transport Ltd.Statement of Operations and Deficit
(Unaudited)

	Year ended March 31, 2019 \$	7-month period ended March 31, 2018 \$
Revenue	16,452,338	19,720,572
Cost of line haul	17,248,979	16,486,153
	<u>(796,641)</u>	<u>3,234,419</u>
Operating expenses		
Facility costs	342,355	10,832
Amortization	333,876	103,845
Bad debt	138,541	173,547
Administration	85,968	33,812
Professional fees	51,459	78,912
Insurance	24,571	12,725
Equipment rent	2,575	2,694
Freight moving costs	568	387
Wages and benefits (recovery)	(756)	293,981
	<u>979,157</u>	<u>710,735</u>
(Loss) income from operations before the undernoted	<u>(1,775,798)</u>	<u>2,523,684</u>
Other expenses (income)		
Management fees – Ventures West Transport LP	1,186,518	2,127,169
Management fees – Tlichu Investment Corporation	834,000	496,508
Management fee income – DTR First Nation's Construction Corp.	(575,178)	-
Gain on disposal of property and equipment	(6)	(5,137)
Loss on impairment of property and equipment	276,178	-
	<u>1,721,512</u>	<u>2,618,540</u>
Loss before income taxes	<u>(3,497,310)</u>	<u>(94,856)</u>
Income taxes		
Future	26,000	-
Net loss for the period	<u>(3,523,310)</u>	<u>(94,856)</u>
Deficit – Beginning of period	<u>(2,530,841)</u>	<u>(2,435,985)</u>
Deficit – End of period	<u>(6,054,151)</u>	<u>(2,530,841)</u>

The accompanying notes are an integral part of these financial statements.

Tlich Landtran Transport Ltd.

Statement of Cash Flows (Unaudited)

	Year ended March 31, 2019 \$	7-month period ended March 31, 2018 \$
Cash provided by (used in)		
Operating activities		
Net loss for the period	(3,523,310)	(94,856)
Items not affecting cash		
Amortization	333,876	103,845
Gain on disposal of property and equipment	(6)	(5,137)
Loss on impairment of property and equipment	276,178	-
Future income taxes	26,000	-
Changes in non-cash operating working capital items	7,791,497	(9,544,357)
	<u>4,904,235</u>	<u>(9,540,505)</u>
Financing activities		
(Repayment to) advances from related parties	(4,484,152)	3,121,855
Repayment of obligations under capital lease	(33,943)	(10,943)
Increase in bank indebtedness	2,315,995	6,285,279
	<u>(2,202,100)</u>	<u>9,396,191</u>
Investing activities		
Purchase of property and equipment	(2,815,725)	(184,664)
Proceeds from sale of fixed assets	113,590	-
	<u>(2,702,135)</u>	<u>(184,664)</u>
Change in cash during the period	-	(328,978)
Cash – Beginning of period	-	328,978
Cash – End of period	-	-

The accompanying notes are an integral part of these financial statements.

Tlichó Landtran Transport Ltd.

Notes to Financial Statements

(Unaudited)

March 31, 2019

1 Going concern

These financial statements have been prepared in accordance with the basis of accounting described in note 3 applicable to a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of business as they come due. For the year ended March 31, 2019, Tlichó Landtran Transport Ltd. (the Company) reported a loss of \$3,523,310 (period ended March 31, 2018 – \$94,856), had a shareholder's deficiency of \$6,054,051 (March 31, 2018 – \$2,530,741) and a working capital deficiency of \$8,365,744 (March 31, 2018 – \$2,740,668). These circumstances lend significant doubt as to the ability of the Corporation to continue as a going concern and, accordingly, the appropriateness of the use of the accounting principles applicable to a going concern.

The Company's ability to continue as a going concern is dependent on achieving a profitable level of operations, being able to meet future debt service requirements and continued support from its lender. Management is continuing to look for ways to increase revenue by actively pursuing new business opportunities and controlling costs.

As the outcome of management's actions is dependent on future events, there are no assurances these measures will be successful.

Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they come due. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported amounts of revenue and expenses and balance sheet classifications that would be necessary should the going concern assumption prove inappropriate. These adjustments could be material.

2 Description of business

Tlichó Landtran Transport Ltd. is a private company incorporated under the Northwest Territories Companies Act. It is engaged in the general freight transportation business in the Northwest Territories and commenced operations in July 1998.

3 Summary of significant accounting policies

Because the precise determination of many assets, liabilities, revenue and expenses are dependent on future events, the preparation of financial statements for a period necessarily includes the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Basis of accounting

These financial statements have been prepared in accordance with the significant accounting policies set out below to assist the Company in meeting the needs of its lender and its parent, the Tlichó Investment Corporation. The basis of accounting used in these financial statements is Canadian accounting standards for

Tlicho Landtran Transport Ltd.

Notes to Financial Statements

(Unaudited)

March 31, 2019

private enterprises (ASPE) as issued by the Canadian Accounting Standards Board, which differs from International Financial Reporting Standards (IFRS). As a government business enterprise, an entity of this nature would normally apply IFRS. However, the users of these financial statements are in agreement that financial statements prepared under this disclosed basis of accounting are appropriate for their purposes.

Cash

Cash consists of cash on hand and deposits in bank accounts.

Revenue recognition

The Company recognizes revenue as transportation is provided based on contract prices and specifically when all the following conditions are met:

- services are provided or products are delivered to customers;
- there is clear evidence that an arrangement exists;
- amounts are fixed or can be determined; and
- the ability to collect is reasonably assured.

Inventory

Inventories are stated at the lower of cost, determined on a weighted average basis, and net replacement cost. The amount of inventories recognized as an expense in the year is presented in the statement of operations and deficit as supplies, trailer repairs, truck repairs, trailer tires and truck tires.

Property and equipment

Property and equipment are recorded at cost. Amortization is computed at rates calculated to amortize the cost of the assets over their estimated useful lives as follows:

Machinery and equipment	3 years straight-line
Office furniture	5 years straight-line
Cargo equipment	5 years straight-line
Trucks and tractors	5 years straight-line
Facility improvements	lesser of lease or useful life
Trailers	5 years straight-line

Tlicho Landtran Transport Ltd.

Notes to Financial Statements

(Unaudited)

March 31, 2019

Impairment of long-lived assets

The Company reviews the valuation of long-lived assets subject to amortization when events or changes in circumstances indicate or cause a long-lived asset's carrying amount to exceed the total undiscounted future cash flows expected from its use and eventual disposition. An impairment loss, if any, would be recorded as the excess of the carrying amount of the asset over its market value, measured by either market value, if available, or estimated by calculating the present value of expected future cash flows related to the asset. No impairment of property and equipment and intangible assets has been recognized for the year ended March 31, 2019.

Income taxes

Future income tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the financial statement carrying amounts and their tax bases. Future income tax assets are recognized for the benefit of any deductions or losses available to be carried forward to future years for tax purposes that are likely to be realized. These amounts are measured using enacted or substantively enacted tax rates and are remeasured annually for changes in these rates. Any future income tax assets are reassessed each year to determine if a valuation allowance is required. Any effect of the remeasurement or assessment is recognized in the year of the change.

Leases

Leases are classified as either capital or operating. At the time the Company enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Payments toward operating leases are expensed as incurred.

Financial instruments

The Company carries a number of financial instruments including accounts receivable, due to/from related parties, bank indebtedness and accounts payable and accrued liabilities. These financial instruments, except for due to/from related parties, are originally recorded at fair value with subsequent measurement at amortized cost. Due to/from related parties are recorded at the exchange amount. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant market, liquidity or credit risks arising from these financial instruments.

Use of estimates

The preparation of financial statements in conformity with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Key components of the financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables, the cost and net realizable value of inventories, the useful lives of long-lived assets, income taxes and the amount of accrued liabilities. Actual results could differ from those estimates.

Tlicho Landtran Transport Ltd.

Notes to Financial Statements

(Unaudited)

March 31, 2019

4 Property and equipment

				2019	2018
	Cost \$	Accumulated amortization \$	Impairment \$	Net \$	Net \$
Machinery and equipment	178,387	88,255	-	90,132	143,243
Office furniture	2,152	933	-	1,219	1,650
Cargo equipment	27,337	27,337	-	-	-
Trucks and tractors	-	-	-	-	106,442
Facility improvements	29,520	13,460	-	16,060	21,964
Trailers	3,119,772	585,619	276,178	2,257,975	-
	<u>3,357,168</u>	<u>715,604</u>	<u>276,178</u>	<u>2,365,386</u>	<u>273,299</u>

5 Due to (from) related parties

	2019 \$	2018 \$
Due to related parties		
1456982 Alberta Ltd.	373,897	4,379,487
Tlicho Investment Corporation	72,770	-
964053 NWT Ltd.	8,968	8,968
Tlicho Logistics Ltd.	635	7,676
Tlicho Construction Ltd.	-	663
	<u>456,270</u>	<u>4,396,794</u>
Due from related parties		
DTR First Nation's Construction Corp.	(575,178)	-
Whati Ko Gha K'Aode Ltd.	-	(31,550)
	<u>(575,178)</u>	<u>(31,550)</u>

Amounts due to companies related through common ownership have no specific terms of repayment.

6 Bank indebtedness

The Company, through the Tlicho Investment Corporation, has access to a revolving demand credit facility to a maximum of \$20,000,000 from January 1 to May 31 of each year and \$15,000,000 for the remaining time during the year. The revolving demand credit facility is limited to available credit under the facility not currently drawn upon by other related companies having similar access. The facility bears interest at the CIBC prime rate plus 0.50% (2018 – 0.50%) per year and a general security agreement covering all present and future property. As at March 31, 2019, the available credit was \$2,917,957 (2018 – \$1,856,117). As at March 31, 2019, the prime rate was 3.95% (2018 – 3.45%).

Tlicho Landtran Transport Ltd.

Notes to Financial Statements

(Unaudited)

March 31, 2019

With respect to Tlicho Investment Corporation's credit facility with its lender, the Company has provided a guarantee in an amount that is unlimited, supported by a general security agreement creating a first priority security interest in all present and future property.

7 Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities as at March 31, 2019 are government remittances payable of \$112,042 (March 31, 2018 – \$7,250) relating to federal and provincial sales taxes, payroll taxes, health taxes and workers' safety insurance.

8 Obligations under capital lease

	2019	2018
	\$	\$
Equipment lease bearing interest at 5.00%, repayable in monthly blended payments of \$3,442; the loans mature on August 22, 2021 and are secured by specific equipment with a net book value of \$86,522 (2018 – \$122,324)	89,372	123,315
Less: Amounts payable within one year	<u>35,679</u>	<u>33,943</u>
	<u>53,693</u>	<u>89,372</u>

Future minimum lease payments for the obligations under capital lease over the next three years are as follows:

	\$
2020	39,338
2021	39,338
2022	<u>16,391</u>
	95,067
Less: Interest portion	<u>5,695</u>
	<u>89,372</u>

During the year, interest expense on obligations under capital lease was \$5,395 (2018 – \$2,170).

Tlicho Landtran Transport Ltd.

Notes to Financial Statements

(Unaudited)

March 31, 2019

9 Share capital

Authorized

- Unlimited Class A common shares, voting
- Unlimited Class C common shares, non-voting
- Unlimited Class D common shares, non-voting
- Unlimited Class E preferred shares, non-voting, non-cumulative, redeemable
- Unlimited Class F preferred shares, non-voting, non-cumulative, redeemable

Issued

	2019	2018
	\$	\$
100 Class A common shares	100	100

10 Related party transactions

During the year, the Company had the following transactions with related parties:

- Tlicho Construction Ltd. (common ownership)
- Tlicho Engineering & Environmental Services Ltd. (common ownership)
- Tlicho Logistics Inc. (common ownership)
- Tlicho Road Constructors Ltd. (common ownership)
- Tlicho Investment Corporation (parent company)
- DTR First Nation's Construction Corp. (33.3% ownership)
- Ventures West Transport LP (common ownership)
- Hozila Naedik'e Ltd. (common ownership)
- Lac La Martre Development Corporation Ltd. (common ownership)
- Rae Lakes General Store (common ownership)
- Tlicho Equipment Ltd. (common ownership)
- Tlicho Government (parent of Tlicho Investment Corporation)
- Whati Community Store (common ownership)
- Whati Hotel (common ownership)

Tlicho Landtran Transport Ltd.

Notes to Financial Statements

(Unaudited)

March 31, 2019

	2019 \$	2018 \$
Revenues		
Ventures West Transport LP	5,282,202	1,345,064
Rae Lakes General Store	27,884	-
Whati Community Store	20,489	8,600
Hozila Naedik'e Ltd.	11,855	73
Tlicho Equipment Ltd.	2,455	1,653
Tlicho Construction Ltd.	930	27,322
Tlicho Investment Corporation	600	776
Whati Hotel	122	186
Lac La Martre Development Corporation Ltd.	75	-
Tlicho Road Constructors Ltd.	-	575
	<u>5,346,612</u>	<u>1,384,249</u>
Management fee income		
DTR First Nation's Construction Corp.	575,178	-
	<u>5,921,790</u>	<u>1,384,249</u>
Expenses		
Management fees		
Ventures West Transport LP	1,186,518	2,127,169
Tlicho Investment Corporation	834,000	496,508
	<u>2,020,518</u>	<u>2,623,677</u>
Cost of line haul		
Ventures West Transport LP	8,210,820	6,553,872
Tlicho Investment Corporation	480,226	164,630
Tlicho Equipment Ltd.	140,808	-
Tlicho Logistics Inc.	-	49,711
Tlicho Engineering & Environmental Services Ltd.	-	11,887
Tlicho Construction Ltd.	-	46
Tlicho Road Constructors Ltd.	-	(2,345)
Tlicho Learning & Development Centre	-	(4,350)
	<u>8,831,854</u>	<u>6,773,451</u>
Facility costs		
Tlicho Investment Corporation	314,315	-
Professional fees		
Tlicho Investment Corporation	2,035	43,790
Administration		
Lac La Martre Development Corporation Ltd.	788	-

Tlichu Landtran Transport Ltd.

Notes to Financial Statements

(Unaudited)

March 31, 2019

	2019 \$	2018 \$
Bad debt Tlichu Equipment Ltd.	504	-
Equipment rent Tlichu Investment Corporation	-	1,168
Wages and salaries Tlichu Logistics Inc.	-	306
	<u>11,170,014</u>	<u>9,442,392</u>

These balances are subject to normal trade terms of settlement or as negotiated between the parties.

During the year, the Company purchased equipment with a carrying value of \$2,815,725 from Tlichu Logistics Inc. and sold equipment to Tlichu Equipment Ltd. for proceeds of \$113,590.

11 Commitments

The Company is committed under an annual operating lease for the lease payments of mobile and operating equipment. The minimum annual amounts payable under these leases, and in aggregate, are as follows:

	\$
2020	35,680
2021	37,505
2022	16,187
	<u>89,372</u>

12 Financial instruments

Credit risk

The Company evaluates on an ongoing basis all its accounts receivable and records a reserve for bad debt when the account is deemed unrecoverable. The Company is exposed to credit risk since the lease receivable and net investment in lease are with a third party. Management believes the risk of incurring losses with these financial instruments is remote.

Interest rate risk

Interest rate risk is the risk the value of a financial instrument might be adversely affected by a change in the interest rate. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through its normal operating and financing activities. The Company is exposed to interest rate risk primarily

Tlicho Landtran Transport Ltd.

Notes to Financial Statements

(Unaudited)

March 31, 2019

through its floating interest rate on the bank overdraft. Based on year-end balances, a +/- 1% change in the interest rate would change interest expense by \$86,013.

Commodity risk

The Company is exposed to fluctuations in commodity prices for natural gas, crude oil and natural gas liquids. Commodity prices are affected by many factors including supply, demand and the Canadian to US dollar exchange rate. The Company had no financial hedges or price commodity contracts in place at year-end.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding from lenders. Due to the nature of the underlying business, management aims to periodically review its cash position in relation to payment requirements. See note 1 for a description of material uncertainties affecting the Company's ability to continue as a going concern.

13 Comparative figures

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

EXHIBIT "E"

This is Exhibit "E" referred to in the Affidavit of

MARK BRAJER

Sworn before me this 27th day of November, 2019



A Commissioner for Oaths
in and for the Northwest Territories

Brittany J.A. Scott
Barrister & Solicitor, Notary Public
and a Commissioner for Oaths
in and for the Northwest Territories.
My Commission does not expire.

UNANIMOUS SHAREHOLDERS AMENDING AGREEMENT ("Second Amending Agreement") made effective this 18th day of December, 2015.

BETWEEN:

DENESOLINE CORPORATION LTD.

A Northwest Territories Corporation
having its registered office in the
Northwest Territories
("Denesoline")

-and-

TLICHO INVESTMENT CORPORATION

A Northwest Territories Corporation
having its registered office in the
Northwest Territories
("Tlicho")

-and-

1456998 ALBERTA LTD.

An Alberta corporation having its
registered office at the City of Edmonton,
in the Province of Alberta
(the "Corporation")

WHEREAS Tli Cho Logistics Inc., Ventures West Transport Inc. and the Corporation entered into an Unanimous Shareholders Agreement dated the 30th day of June, 2009 (the "Agreement"), which was amended by an Amending Agreement between Tli Cho Logistics Inc., Ventures West Transport Inc., Denesoline Corporation Ltd. and the Corporation, effectively dated the 1st day of April, 2011 (the "First Amending Agreement");

AND WHEREAS as of the date of this Second Amending Agreement the Shareholders of the Corporation are Denesoline and Tlicho.

AND WHEREAS the parties wish to amend the Agreement on the terms and subject to the conditions set forth in this Second Amending Agreement;

NOW THEREFORE THIS AMENDING AGREEMENT WITNESSETH THAT:

1. Article 2 of the First Amending Agreement is deleted and replaced with the following:

- "2. There are presently issued and outstanding the following shares in the capital stock of the Corporation, all of which are fully paid and non-assessable and beneficially owned by the parties indicated below, namely:

<u>Shareholder</u>	<u>Certificate Number</u>	<u>Description of Shares</u>
Denesoline	5A	10 Class "A" Common Shares
Tlicho	7A, 8A	90 Class "A" Common Shares"

2. Effective as of April 1, 2012 Tlicho is added as a party to the Agreement.
3. Article 4 of the First Amending Agreement is deleted.
4. Article 5 of the First Amending Agreement is deleted and replaced with the following:
- "5. Effective the date hereof the first sentence of Article 5.01 shall be amended to the following:
- The Shareholder shall vote their Shares so that the Board of Directors of the Corporation is comprised of Four (4) Directors, which shall include three (3) nominees of Tlicho and one (1) nominee of Denesoline. Should a director nominated by Tlicho be removed, Tlicho has the obligation to appoint the replacement for such removed director and should a director nominated by Denesoline be removed, Denesoline has the obligation to appoint the replacement for such removed director."
5. Article 6 of the First Amending Agreement is deleted and replaced with the following:
- "6. Effective the date hereof Article 8.1 shall be replaced by the following:
- 8.01 CONDUCT
- Unless otherwise agree by the unanimous approval of the Shareholders, the Shareholders shall not cause or permit the Corporation, and the Board of Directors shall not authorize the Corporation to undertake any of the matters set out in Schedule B to this Agreement."
6. Article 7 of the First Amending Agreement is deleted and replaced with the following:
- "7. Except as herein amended, the parties hereto agree that the Unanimous Shareholders Agreement remains in full force and effect and otherwise unamended as of the date hereof."
7. All words and expressions used in this Second Amending Agreement, unless there is something in the subject matter or context inconsistent therewith, shall have the same meaning ascribed to them in the Agreement.

8. The invalidity of any particular provision shall not affect any other provision and this Second Amending Agreement shall be construed as if the invalid provision were omitted.
9. This Second Amending Agreement shall be deemed an amendment to the Agreement and First Amending Agreement and each of the parties is bound thereby as evidenced by his, her or its signature to this Second Amending Agreement. For greater clarification, except as amended by this Second Amending Agreement, the Agreement and First Amending Agreement shall remain in effect and enforceable in accordance with its terms.
10. Time shall remain of the essence.
11. This Second Amending Agreement shall enure to the benefit of and be binding upon the parties to this Second Amending Agreement and their respective heirs, executors, successors and permitted, as the case may be, assigns.
12. This Second Amending Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument. This Second Amending Agreement may be transmitted by facsimile or e-mail attachment and the reproduction of signatures in such manner will be binding as if originals.

[The remainder of this page left intentionally blank.]

IN WITNESS WHEREOF the parties to this Second Amending Agreement have hereunto set their hands and seals and the corporations has hereunder affixed its corporate seal by the hand or hands of its proper officers duly authorized on that behalf as of the day and year first above written.

DENESOLINE CORPORATION LTD.

Per: *[Handwritten Signature]*

TLICHO INVESTMENT CORPORATION
Executed in Counterpart

Per: _____

1456998 ALBERTA LTD.

Executed in Counterpart

Per: _____

IN WITNESS WHEREOF the parties to this Second Amending Agreement have hereunto set their hands and seals and the corporations has hereunder affixed its corporate seal by the hand or hands of its proper officers duly authorized on that behalf as of the day and year first above written.

DENESOLINE CORPORATION LTD.

Per: Executed in Counterpart

TLICHO INVESTMENT CORPORATION

Per: *Kelly R*

1456998 ALBERTA LTD.

Per: *Kelly R*

AMENDING AGREEMENT

THIS AGREEMENT (this "Agreement") made effective as of the 1st day of April, 2011.

AMONG:

1456998 ALBERTA LTD.
an Alberta Corporation having its
registered office at the City of Edmonton,
in the Province of Alberta

(hereinafter called the "Corporation")

OF THE FIRST PART

TLI CHO LOGISTICS INC.
A Northwest Territories Corporation
Having its registered office in the
Northwest Territories

(hereinafter called "TCL")

OF THE SECOND PART

- and -

VENTURES WEST TRANSPORT INC.
an Alberta Corporation having its
registered office at the City of Edmonton,
in the Province of Alberta

(hereinafter called "Ventures West")

OF THE THIRD PART

- and -

DENESOLINE CORPORATION LTD.
A Northwest Territories Corporation
Having its registered office in the
Northwest Territories

(hereinafter called "Denesoline")

OF THE FOURTH PART

and

Such other persons as may subscribe to
or be made parties to this Unanimous Shareholders
Agreement by operation of law

OF THE FIFTH PART

WHEREAS:

A. By a Unanimous Shareholders Agreement made as of the 30th day of June, 2009 between the Corporation and TCL and Ventures West (the "Unanimous Shareholders Agreement"), the parties agreed to those certain matters set forth and more particularly described therein concerning the regulation of the rights and liabilities of the Shareholders of the Corporation and concerning aspects of the management of the business and affairs of the Corporation;

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all of the parties hereto, the parties hereto covenant and agree as follows:

1. Effective the date hereof Denesoline Corporation Ltd. has purchased shares (the "Share Purchase") in the Corporation;

2. There are presently issued and outstanding the following shares in the capital stock of the Corporation, all of which are fully paid and non-assessable and beneficially owned by the parties indicated below, namely:

<u>Shareholder</u>	<u>Certificate Number</u>	<u>Description of Shares</u>
Tli Cho Logistics Ltd.	3A	60 Class A Shares
Ventures West Transport Ltd.	4A	30 Class A Shares
Denesoline Corporation Ltd.	5A	10 Class A Shares

3. Effective the date hereof Denesoline Corporation Ltd. is added as a party to the Unanimous Shareholders Agreement;

4. Effective the date hereof, a new Article 3.06 (e) shall be added as follows:

3.06 (e) the Directors shall declare a dividend by June 30, 2012 to the extent available pursuant to this Article 3.05 and, subject to the shareholdings being the same as the date of this Amending Agreement, the dividends shall be payable to TCL as to 60%, to VWT as to 30% and to Denesoline as to 10% and Denesoline will be paid its said dividend regardless of whether the other parties defer payment of their dividends.

5. Effective the date the first sentence of Article 5.01 shall be amended to the following:

The Shareholder shall vote their Shares so that the Board of Directors of the Corporation is comprised of Six (6) Directors, which shall include three nominees of TCL, two nominees of Ventures West and one nominee of Denesoline.

6. Effective the date hereof Article 8.1 shall be replaced by the following:

8.01 CONDUCT

Unless otherwise agreed by consent of ninety (90%) percent of the Shareholders holding voting Shares, the Shareholders shall not cause or permit the Corporation, and the Board of Directors shall not authorize the Corporation to undertake any of the matters set out in Schedule B to this Agreement.

7. Except as herein amended, the parties hereto agree that the Unanimous Shareholders Agreement remains in full force and effect and otherwise unamended as of the date hereof except for the sake of greater certainty it is hereby acknowledged and agreed by the parties that neither this Agreement nor the Share Purchase: (i) adversely affects TCL's compulsory right and obligation to purchase VWT's interest in the Corporation effective June 30, 2014 pursuant to Article 14.01 (except that TCL's compulsory right and obligation shall be limited to VWT's remaining 300 Class A Shares), or (ii) gives Denesoline any further right to purchase any part of VWT's remaining interest in the Corporation.

IN WITNESS WHEREOF each of the parties has duly executed these presents as of the day and year first above written.

1456998 ALBERTA LTD.

Per:  (c/s)

VENTURES WEST TRANSPORT INC.

Per:  (c/s)

DENESOLINE CORPORATION LTD.

Per: _____ (c/s)

TLI CHO LOGISTICS INC.

Per:  (c/s)

The Shareholder shall vote their Shares so that the Board of Directors of the Corporation is comprised of Six (6) Directors, which shall include three nominees of TCL, two nominees of Ventures West and one nominee of Denesoline.

6. Effective the date hereof Article 8.1 shall be replaced by the following:

8.01 CONDUCT

Unless otherwise agreed by consent of ninety (90%) percent of the Shareholders holding voting Shares, the Shareholders shall not cause or permit the Corporation, and the Board of Directors shall not authorize the Corporation to undertake any of the matters set out in Schedule B to this Agreement.

7. Except as herein amended, the parties hereto agree that the Unanimous Shareholders Agreement remains in full force and effect and otherwise unamended as of the date hereof except for the sake of greater certainty it is hereby acknowledged and agreed by the parties that neither this Agreement nor the Share Purchase: (i) adversely affects TCL's compulsory right and obligation to purchase VWT's interest in the Corporation effective June 30, 2014 pursuant to Article 14.01 (except that TCL's compulsory right and obligation shall be limited to VWT's remaining 300 Class A Shares), or (ii) gives Denesoline any further right to purchase any part of VWT's remaining interest in the Corporation.

IN WITNESS WHEREOF each of the parties has duly executed these presents as of the day and year first above written.

1456998 ALBERTA LTD.

Per: _____ (c/s)

VENTURES WEST TRANSPORT INC.

Per: _____ (c/s)

DENESOLINE CORPORATION LTD.

Per:  (c/s)

TLI CHO LOGISTICS INC.

Per: _____ (c/s)

THIS UNANIMOUS SHAREHOLDERS AGREEMENT made June 30, 2009.

TLI CHO LOGISTICS INC., a body corporate incorporated pursuant to the laws of the Northwest Territories (hereinafter referred to as "TCL")

OF THE FIRST PART,

- and -

VENTURES WEST TRANSPORT INC., a body corporate incorporated pursuant to the laws of Alberta (hereinafter referred to as "VWT")

OF THE SECOND PART,

- and -

1456998 ALBERTA LTD., a body corporate, incorporated pursuant to the laws of Alberta (hereinafter referred to as the "Corporation")

OF THE THIRD PART.

WHEREAS the authorized capital of the Corporation is as set out in Schedule A attached to this Agreement;

AND WHEREAS TCL and VWT (hereinafter referred to as the "Shareholders") hold the following shares in the capital of the Corporation as the registered and beneficial owners thereof:

<u>Name of Shareholder</u>	<u>No. and Class of Shares</u>
VWT	40 Class "A" Common Shares
TCL	60 Class "A" Common Shares

being all of the issued and outstanding shares of the Corporation.

AND WHEREAS the Shareholders wish to establish their rights and obligations in respect of the shares now or hereafter owned by them, the election or removal of Directors of the Corporation, the management and control of the Corporation and certain other matters as hereinafter set forth;

AND WHEREAS the Corporation is the general partner of the Ventures West Limited Partnership (the "Limited Partnership");

AND WHEREAS the Shareholders wish to provide for the orderly transfer of shares by a Shareholder upon the death of Glenn Bauer;

AND WHEREAS the Parties intend that this Agreement shall operate and be construed as a Unanimous Shareholders Agreement under the *Business Corporations Act* (Alberta).

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained, the parties covenant and agree, each with the other as follows:

ARTICLE I

1.01 DEFINITIONS

- (a) "Act" means the *Business Corporations Act*, Statutes of Alberta, R.S.A. 2000, c. B-9 as amended from time to time and every statute that may be substituted therefor, and in the case of any such amendment and substitution, any reference in this Agreement to the Act shall be read as referring to the amended or substituted provisions therefor;
- (b) "Advances" means all outstanding loans owing from time to time by the Corporation to the Shareholders;
- (c) "Articles" means the Articles of Incorporation of the Corporation filed March 10, 2009 as from time to time amended or restated;
- (d) "Auditors" means PricewaterhouseCoopers, or such independent firm of chartered accountants as may, from time to time, be chosen by the Shareholders as auditors or accounting advisors of the Corporation;
- (e) "Business Day" means any day except Saturdays, Sundays or statutory holidays in Alberta;
- (f) "By-laws" means any by-laws of the Corporation from time to time in force and effect;
- (g) "CIBC" means the Canadian Imperial Bank of Commerce or any successor entity thereto,
- (h) "Closing" means any closing of the purchase and sale of an Interest of a Shareholder as provided in this Agreement;
- (i) "Directors" means the persons who are, from time to time in accordance with the terms of this Agreement, duly elected or appointed Directors of the Corporation;
- (j) "Discounted Value" when used in relation to a Share owned by the Defaulting Shareholder means an amount equal to its fair market value on the Closing Date, determined in the manner provided for herein, less 10% of that fair market value and when used in relation to Advances owing by the Corporation to a Defaulting Shareholder (as defined herein), means an amount equivalent to such Advances, on the Closing Date (as defined herein), less 10% of the amount thereof;

- (k) "Guarantee Agreement" means an agreement by way of guarantee given or to be given, as the case may be, by one or more of the Shareholders or the Principal of a Shareholder for the repayment of any indebtedness of the Corporation or for the performance by the Corporation of any of its other obligations;
- (l) "Interest" of a Shareholder means all the Shares owned by a Shareholder plus all Shareholder Advances;
- (m) "Management Agreement" means the agreement entered into among the Limited Partnership, by its general partner the Corporation, 1290225 Alberta Ltd. and Glenn Bauer regarding the management and operation of the Limited Partnership;
- (n) "Newco USA" means the unanimous shareholders agreement among TCL, VWT and Newco dated June 30, 2009;
- (o) "Officer" means any officer of the Corporation;
- (p) "Parties" means the parties named or referred to on the first page of this Agreement and includes any person who may hereafter execute a counter-part of this Agreement upon becoming a Shareholder;
- (q) "Partnership Agreement" means the Limited Partnership Agreement between 1456982 Alberta Ltd. (as initial limited partner) ("Newco") and the Corporation (as the general partner) made effective June 30, 2009;
- (r) "Principal" means any person who controls a Shareholder;
- (s) "Purchaser" means the Shareholder(s) who is/are the purchaser(s) of Shares or of an Interest pursuant to any of the provisions of this Agreement;
- (t) "Purchase Price" means, as applicable in the relevant circumstances, either the Default Purchase Price, the RFR Purchase Price, the Option Purchase Price, the Deceased Purchase Price or the Compulsory Purchase Price;
- (u) "Secretary" means the secretary of the Corporation and if there is no secretary then the President of the Corporation;
- (v) "Shareholder Advances" means, with respect to each Shareholder, all outstanding loans owing from time to time by the Corporation to such Shareholder;
- (w) "Shares" means shares of the Corporation of any class;
- (x) "Shareholder" means any person who is a holder of Share(s); and
- (y) "Vendor" means a Shareholder who is the seller of Shares or of an Interest pursuant to any of the provisions of this Agreement.

1.02 HEADINGS

Headings of the Articles and Sections hereof are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.03 CONSTRUCTION

Words importing singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and words importing persons shall include companies, corporations, partnerships, syndicates, trusts and any number or aggregate of persons.

1.04 DEFINED TERMS

Words and phrases used in this Agreement and not defined herein have the same meaning assigned to them in the Act.

ARTICLE II

IMPLEMENTATION OF AGREEMENT

2.01 EFFECT OF AGREEMENT

Each of the Shareholders shall vote or cause to be voted the Shares owned by him in such a way so as to fully implement the terms and conditions of this Agreement and shall, if any Director for any reason refuses to exercise his discretion in accordance with the terms of this Agreement, forthwith take such steps as are necessary to remove each such Director.

2.02 DEEMED CONSENT

Each of the Shareholders shall be deemed to have consented to any transfer of Shares made in accordance with this Agreement and each covenants and agrees to waive any restriction on transfer contained in the Articles or By-laws of the Corporation in order to give effect to such transfers.

2.03 CONFLICT

In the event of any conflict between the provisions of this Agreement on the one hand, and the Articles and By-laws of the Corporation on the other, the provisions of this Agreement shall govern. Each of the Shareholders agrees to vote or cause to be voted the Shares owned by him so as to cause the Articles or By-laws, or both, as the case may be, to be amended to resolve any such conflict in favor of the provisions of this Agreement.

ARTICLE III

FINANCING

3.01 GENERAL INTENTION

It is agreed that the funds required for carrying on the business of the Corporation (including, without limit, the business of any partnership of which the Corporation is a member) should be obtained, to the maximum extent possible, by permanent or interim third-party financing, or any combination thereof, which shall be arranged by the Directors when appropriate, having regard to the status of the business of the Corporation, subject always however to Article 8.01 hereof.

3.02 SHAREHOLDERS' LOANS

Subject to Article 3.01, each of the Shareholders agrees to advance to the Corporation upon demand by the Corporation such funds as may be determined by those Shareholders who are holders of not less than seventy-five (75%) per cent of all Shares then issued and outstanding and within the time limitations specified by such Shareholders; PROVIDED HOWEVER that:

- (a) funds shall be advanced by each of the Shareholders at all times in proportion to the fair market value of each such Shareholder's holdings of outstanding Shares;
- (b) each Advance shall be evidenced by a note issued by the Corporation in the principal amount thereof which note shall provide that repayment of the amount therein is subject to the terms and conditions contained in this Agreement;
- (c) no interest shall be payable by the Corporation on Advances unless all Shareholders otherwise agree, in which event the rate of interest and the terms of payment thereof shall be unanimously agreed by the Shareholders;
- (d) all repayments of Advances and, if applicable, interest thereon shall be made by the Corporation to all Shareholders pro rata in proportion to the amount which each Shareholder's Advances at such time bears to all Advances then outstanding;
- (e) the Shareholders shall not demand repayment of the whole or any portion of any Advances outstanding prior to the time(s) for repayment thereof which shall be fixed in each case by and at the time the requisite number of Shareholders referred to above determine that the Shareholders shall advance funds to the Corporation; and
- (f) all Advances may be prepaid by the Corporation in whole or in part at any time or times without notice or bonus, subject however to Article 3.02(d) above.

3.03 SUBORDINATION

Each of the Shareholders agrees at the request of the Board of Directors to subordinate all Shareholder Advances in favor of any bank or lending institution providing financing to the Corporation.

3.04 GUARANTEES

Except with the unanimous agreement of all Shareholders, no Shareholder shall be obliged to enter into any agreement of guarantee with respect to the indebtedness of the Corporation.

3.05 DISTRIBUTIONS FROM THE LIMITED PARTNERSHIP

Notwithstanding the terms of the Partnership Agreement, the Shareholders shall cause the Corporation to exercise its discretion as General Partner (as defined in the Partnership Agreement) of the Limited Partnership to make distributions ("Cash Distributions") out of the available net funds of the Limited Partnership according to the following principle(s) and presumption(s) (hereafter, the "LP Cash Distribution Policy"):

- (a) The LP Cash Distribution Policy shall recognize the seasonal nature of the Business (as defined in the Partnership Agreement) requiring that the Limited Partnership will be required to accumulate cash and near cash assets in advance of periods of increased activity, including in advance of the winter road fuel haul season.
- (b) No Cash Distributions will be made by the Limited Partnership if doing so would cause the Limited Partnership to violate any banking covenant to which it is obliged from time to time.
- (c) Cash Distributions will be made on each May 31 and October 31 to the extent of cash available for distribution (the "Distribution Dates").
- (d) It shall be presumed for the purposes of the LP Cash Distribution Policy that:
 - (i) all cash on hand (as of a particular Distribution Date),

in excess of
 - (ii) that amount of cash required to be retained by the Limited Partnership in order for the Limited Partnership's current ratio to equal not less than 1.40:1,

shall be available for distribution to the Partners (as defined in the Partnership Agreement).

3.06 DISTRIBUTIONS TO SHAREHOLDERS

The Shareholders shall cause the Corporation to make distributions by way of dividend ("Dividend Distributions") out of the available net funds of the Corporation according to the following principle(s) and presumption(s) (hereafter, the "GP Cash Distribution Policy"):

- (a) The GP Cash Distribution Policy shall recognize the requirement for the Corporation to retain sufficient cash for the purpose of paying: (i) corporate income tax (including statutorily-required instalments on account thereof), (ii) professional fees (including audit fees), and (iii) principal and interest on its bank debt (collectively, "Corporation Obligations").
- (b) No Dividend Distributions will be made by the Corporation if doing so would cause the Corporation to violate any banking covenant to which it is obliged from time to time.
- (c) Dividend Distributions will be made on each May 31 and October 31 to the extent of cash available for distribution (the "Distribution Dates").
- (d) It shall be presumed for the purposes of the GP Cash Distribution Policy that:
 - (i) all cash on hand (as of a particular Distribution Date),

in excess of
 - (ii) that amount of cash reasonably required to be retained by the Corporation to satisfy its Corporate Obligations in a timely manner,shall be available for distribution to the Shareholders.

ARTICLE IV

DEFAULT

4.01 APPLICATION

If a Shareholder (referred to in this Article IV as a "Defaulting Shareholder") shall fail for any reason to pay any amount payable by him under a Guarantee Agreement, contribute to the Corporation the required funds pursuant to Article 3.01 above or otherwise observe, perform or carry out any of its obligations under this Agreement, then the Secretary shall give written notice of such default ("Default Notice") to the Shareholders who are not in default (referred to in this Article IV as "Eligible Shareholders") and to the Defaulting Shareholder and the following provisions of this Article IV shall take effect.

4.02 OPTION TO PURCHASE

The Eligible Shareholders, or such of them as may elect to exercise the option hereinafter referred to, shall have the option of acquiring from the Defaulting Shareholder all (but not less than all) of his Shares in the Corporation in accordance with the provisions set forth in this Article IV. This option may be exercised at any time after the expiration of thirty (30) days after the date of the Default Notice by written notice ("Exercise Notice") to the Defaulting Shareholder and to the Secretary by or on behalf of the Eligible Shareholders who choose to exercise such option, providing the Defaulting Shareholder has not, as of the date of receipt of the Exercise Notice by the Secretary, cured such default and providing further that the Eligible Shareholders electing to exercise the option shall have paid to the Corporation the amount, if any, then due and owing by the Defaulting Shareholder with respect to which default has been made.

4.03 PURCHASE PRICE

If the Eligible Shareholders or one or more of them elect to acquire from the Defaulting Shareholder his Shares as provided in Article 4.02 above, the purchase price (the "Default Purchase Price") for the Shares owned by the Defaulting Shareholder shall be the Discounted Value thereof.

4.04 CLOSING

If the Eligible Shareholders or one or more of them elect to acquire from the Defaulting Shareholder all his Shares as provided in Article 4.02 above, the transaction of purchase and sale shall be completed in the manner provided in Article XV. On the Closing, the Defaulting Shareholder shall also be obliged to transfer and assign to the Eligible Shareholders purchasing the Shares any Shareholder Advances then due and owing by the Corporation to the Defaulting Shareholder free and clear of any lien, claim, encumbrance, equity or charge whatsoever and such Eligible Shareholders shall be obliged to acquire all right, title and interest of the Defaulting Shareholder in such Shareholder Advances by paying to the Defaulting Shareholder the Discounted Value of such Advances in cash or by solicitors trust cheque.

4.05 OVER ACCEPTANCE

On the Closing, the Eligible Shareholders who have given notice of exercise of the option pursuant to Article 4.02 above shall determine whether, in what manner and to what extent each of them shall acquire the Shares of the Defaulting Shareholder. In default of agreement, each of such Eligible Shareholders shall be entitled to acquire that number of Shares of the Defaulting Shareholder which bears the same proportion to the Shares of the Defaulting Shareholder as the number of Shares held by each such Eligible Shareholder bears to the aggregate number of Shares held by all such Eligible Shareholders.

4.06 REMEDIES

The provisions of this Article IV are in addition to all other remedies which the parties or the Corporation may have against the Defaulting Shareholder.

4.07 EFFECT OF DEFAULT

Upon the completion of the events contemplated by Article 4.04 above, the Defaulting Shareholder and, if the Defaulting Shareholder has had a nominee(s) elected or appointed as an Officer and/or Director of the Corporation, the Defaulting Shareholder's nominee(s), shall all forthwith tender to the Corporation their respective resignations as Officer(s) and/or Director(s) of the Corporation without any right of compensation as a result thereof. The Defaulting Shareholder shall take such actions as may be necessary to ensure such resignations of his nominees.

ARTICLE V

DIRECTORS AND OFFICERS OF THE CORPORATION

5.01 BOARD OF DIRECTORS

The Shareholders shall vote their Shares so that the Board of Directors of the Corporation is composed of four (4) Directors, which shall include two nominees of TCL and two nominees of VWT. The TCL nominees shall initially be Kevin Armstrong and Peter Arrowmaker. The VWT nominees shall initially be Glenn Bauer and Kathy Svanda. Subject to the foregoing, if a position on the Board of Directors formerly held by a Director is open for any reason, the Shareholder whose nominee formerly occupied such position shall be entitled to nominate a new director to fill the vacancy.

5.02 QUORUM

Two (2) Directors, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that such quorum includes at least one nominee Director of TCL and one nominee Director of VWT.

5.03 VOTING

Except as otherwise required by law or by this Agreement, questions arising at any meeting of the Board of Directors shall be decided by a majority of votes.

5.04 CASTING VOTE

In the case of an equality of votes at a meeting of the Board of Directors of the Corporation, no person shall have a second or casting vote in addition to his original vote except with respect to any decision to terminate the Management Agreement, in which

case one nominee of TCL shall have a second or casting vote in addition to his original vote.

5.05 VACANCIES

Vacancies on the Board of Directors shall be filled by ordinary resolution of the Shareholders of the Corporation and in so doing the Shareholders shall act in accordance with Article 5.01 above.

5.06 TERM

Each Director of the Corporation shall hold office for a term expiring upon the close of the second annual meeting of the Shareholders following the election of each such Director.

5.07 OFFICERS

Unless the Shareholders otherwise unanimously agree, Glenn Bauer shall be the President, Michael Odell shall be the Secretary and the Treasurer.

5.08 TERM OF OFFICE

The Directors may at any time, in their discretion, by ordinary resolution, remove any Officer of the Corporation, other than those referred to in Article 5.07 above, without prejudice to such Officer's rights under any employment contract. Otherwise, each Officer appointed by the Directors shall hold office until his successor is appointed.

5.09 CONFLICT OF INTEREST

An Officer or Director of the Corporation who is a party to, or is a director or officer of or has a material interest in any person who is a party to, a material contract or proposed material contract (a "Disclosable Contract") with the Corporation or the Limited Partnership, other than those Disclosable Contracts set out in Schedule C hereto, shall disclose in writing to the Corporation or request to have entered in the minutes of the Directors the nature and extent of his interest at the time and in the manner provided by the Act. Any such Disclosable Contract shall be referred to the Shareholders for approval even if such Disclosable Contract is one that in the ordinary course of the business of the Corporation or the Limited Partnership would not require approval by the Directors or Shareholders.

ARTICLE VI

GENERAL BORROWING POWERS

6.01 NO DELEGATION

No delegation shall be permitted by the Directors of any of the powers referred to in Section 103 of the Act, which such Directors retain subject to the limitations in this Agreement.

ARTICLE VII

SHAREHOLDERS

7.01 SPECIAL MEETINGS

The Directors may call a special meeting of Shareholders at any time and shall do so, on the request of the President, Secretary or Treasurer.

7.02 PLACE OF MEETINGS

The Shareholders do hereby consent to meetings of Shareholders of the Corporation being held outside of Alberta.

7.03 PERSONS ENTITLED TO BE PRESENT

The only persons entitled to be present at a meeting of Shareholders shall be those entitled to vote thereat along with their respective legal counsel and other professional advisors, the Directors and Auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the Articles or By-laws to be present at the meeting. Any other person may be admitted only with the unanimous consent of the meeting.

7.04 QUORUM

A quorum for the transaction of business at any meeting of Shareholders shall be the holders of at least seventy-five (75%) per cent of the Shares entitled to vote at the meeting present in person or by proxy. If a quorum is present at the opening of a meeting, the Shareholders present or represented by proxy may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of a meeting of Shareholders, the Shareholders present or represented by proxy may adjourn the meeting to a fixed time and place but may not transact any other business. If at such adjourned meeting a quorum be not present, those Shareholders who are present and entitled to vote thereat shall be deemed to be a quorum, and may transact all business which a full quorum might have done.

7.05 VOTING

At any meeting of Shareholders every question shall, unless otherwise required by the Articles or By-laws, be determined by the majority of the votes cast on the question. In the case of an equality of votes either upon a show of hands or upon a ballot, the Chairman of the meeting shall not be entitled to a second or casting vote.

7.06 COMMUNICATION FACILITIES

The Shareholders do hereby consent to a Shareholder or any other person entitled to attend a meeting of Shareholders participating in the meeting by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other.

ARTICLE VIII

CONDUCT OF THE BUSINESS OF THE CORPORATION

8.01 CONDUCT

Unless otherwise agreed by unanimous consent of the Shareholders, the Shareholders shall not cause or permit the Corporation, and the Board of Directors shall not authorize the Corporation, to undertake any of the matters set out in Schedule B to this Agreement.

8.02 CONSENTING AGREEMENT

The execution of any written agreement or Shareholders' resolution by all the Shareholders shall constitute the consenting agreement of the Shareholders contemplated in this Article VIII.

8.03 MANAGEMENT

The Corporation shall retain 1290225 Alberta Ltd. to manage the business of the Limited Partnership pursuant to the terms of the Management Agreement. In the event of any conflict between the provisions of this Agreement on the one hand, and the Management Agreement on the other, in relation to the management of the business of the Corporation, the provisions of the Management Agreement shall govern.

ARTICLE IX

ALLOTMENT OF ADDITIONAL SHARES

9.01 ALLOTMENT OF SHARES

Subject to the restrictions set forth in this Agreement, the Shareholders shall have the sole right, from time to time, in their discretion, to authorize the issue of such number of additional Shares of the Corporation of any class at such price or prices and to such person or persons as the Shareholders in their discretion determine to be in the best interests of the Corporation.

9.02 APPLICATION

If at any time the Shareholders of the Corporation agree, in accordance with the provisions hereof, to the issue of additional Shares of any class, then the following provisions of this Article IX shall take effect.

9.03 DEFINITIONS

In this Article IX:

- (a) "Allotment Notice" means the written notice given by the Corporation to each of the Shareholders in accordance with the provisions of Article 9.04 below;
- (b) "Acceptance Notice" means the written notice given by a Shareholder to the Corporation in accordance with the provisions of Article 9.05 below;
- (c) "Unissued Shares" means the shares to be issued in accordance with the provisions of Article 9.01 above.

9.04 NOTICE OF PROPOSED ISSUE

The Corporation shall give to each Shareholder written notice of each proposed share issue setting forth the number and class of Unissued Shares which it is proposed will be issued and the price and terms and conditions upon which such Shares are being offered.

9.05 RIGHT TO SUBSCRIBE

Upon receipt of an Allotment Notice a Shareholder shall have the right, subject to the provisions of Article 9.08 below, by written notice given to the Corporation at any time within a period of thirty (30) days following receipt of such Allotment Notice, to subscribe for such quantity of Unissued Shares specified in the Allotment Notice as he may select, upon the terms and conditions set forth in the Allotment Notice.

9.06 ACCEPTANCE NOTICE

Each Acceptance Notice given by a Shareholder to the Corporation shall:

- (a) specify the number of Unissued Shares which such Shareholder agrees to subscribe for;
- (b) subject to the provisions of Article 9.08 below, constitute a binding agreement by such Shareholder to subscribe and pay for such number of Unissued Shares upon and subject to the terms and conditions set out in the Allotment Notice; and
- (c) constitute a waiver by such Shareholder of his right to subscribe at a later date for any additional Unissued Shares which may be specified in the Allotment Notice.

9.07 FAILURE TO GIVE ACCEPTANCE NOTICE

If following receipt of an Allotment Notice, a Shareholder shall fail to give to the Corporation an Acceptance Notice within the time limited by Article 9.05 above and in accordance with the foregoing provisions of this Article IX, then any and all rights which that Shareholder may have to subscribe for any of the Unissued Shares specified in such Allotment Notice shall be extinguished.

9.08 OVER SUBSCRIPTION

If the total number of Unissued Shares specified in all Acceptance Notices given to the Corporation shall exceed the number for such Shares specified in the Allotment Notice, then:

- (a) Each Shareholder whose Acceptance Notice specifies for purchase not more than such number of Unissued Shares as is proportionate to his existing percentage ownership of all issued and outstanding Shares shall be required to subscribe and pay for the number of Unissued Shares specified in his Acceptance Notice; and
- (b) Those Shareholders whose Acceptance Notices specify for purchase more than such number of Unissued Shares as is proportionate to their respective existing percentage ownership of all issued and outstanding Shares shall be required to subscribe and pay for the remaining Unissued Shares specified in the Allotment Notice in the respective proportions in which those Shareholders, as between themselves, are existing holders of Shares.

9.09 UNDER SUBSCRIPTION

If the number of Unissued Shares specified in the Allotment Notice shall exceed the total number of Unissued Shares specified in all Acceptance Notices, then the Corporation shall not issue or allot such excess.

9.10 MANNER OF ACCEPTANCE

An Acceptance Notice shall be given to the Corporation by a Shareholder by sending it through the post in a prepaid registered envelope addressed to the Corporation at its registered office in Alberta, and shall be conclusively deemed to have been given on the day following the date of posting.

9.11 MANNER OF NOTICE

An Allotment Notice shall be given by the Corporation to each Shareholder in the manner provided in this Agreement for the giving of notices to Shareholders.

ARTICLE X

RESTRICTIONS ON TRANSFER

10.01 PROHIBITIONS

No Interest of a Shareholder shall be sold, transferred, assigned, pledged, hypothecated or encumbered by a Shareholder without the unanimous consent of the Shareholders other than in accordance with the terms of this Agreement except for a security interest granted by TCL in all of its present and after acquired property in favour of CIBC pursuant to a General Security Agreement.

10.02 RIGHT OF FIRST REFUSAL

Except as otherwise expressly permitted in this Agreement:

- (a) no Shareholder shall transfer any or all of its Shares unless that Shareholder (the "Offeror") first offers by notice in writing (the "RFR Offer") to each other Shareholder the prior right to purchase, receive or otherwise acquire the Shares;
- (b) the RFR Offer must set forth:
 - (i) the number of Shares that the Offeror desires to sell (the "Offered Shares");
 - (ii) the price (the "RFR Purchase Price"), in lawful money of Canada, for the Offered Shares;

- (iii) the terms and conditions of the sale;
 - (iv) that the RFR Offer is open for acceptance for a period of 14 days after receipt of such RFR Offer by the other Shareholders and request that each other Shareholder state in writing whether it is willing to purchase any of the Offered Shares and, if so, the maximum number it is willing to purchase; and
 - (v) whether or not the Offeror has received any offer to purchase the Offered Shares (the "Third Party Offer") which it is prepared to accept and, if it has, the name and address of the party making that offer and the price, terms of payment and other terms and conditions of such offer;
- (c) Upon the expiration of the 14-day notice period provided in Article 10.02(b), if the Offeror has received from the other Shareholders sufficient acceptances to purchase all of the Offered Shares, the Corporation shall thereupon apportion the Offered Shares among the other Shareholders so accepting *pro rata* in proportion to the number of shares held by each of them respectively up to the number of Offered Shares accepted by each of them respectively. If the Offeror has not received sufficient acceptances to purchase all of the Offered Shares, the Corporation shall have 14 days thereafter to purchase such portion of the Offered Shares that were not accepted by the other Shareholders on the same terms as contained in the RFR Offer;
- (d) if the Corporation does not accept the offer to purchase such portion of the Offered Shares that were not accepted by the other Shareholders the Offeror may for a period of 90 days after the expiration of the period for acceptance by the Corporation, sell, transfer or otherwise dispose of the whole of the Offered Shares to any other person, firm or corporation ("Third Party") provided that:
- (i) if the other Shareholders did not purchase any of the Offered Shares, the Offeror may not sell less than all the Offered Shares;
 - (ii) the Offeror shall sell the Offered Shares for cash at closing, free and clear of encumbrances, and on terms which are identical to those specified in the RFR Offer;
 - (iii) the Offeror shall not sell any of the Offered Shares to any person, unless at the time of the sale that person complies with Article 10.04; and
 - (iv) if the Offeror has not transferred the Offered Shares or any of them within the 90-day period, then the provisions of this Article 10.02 shall again become applicable to all of the Offered Shares not disposed of within the 90-day period.
- (e) Upon the Corporation's receipt of an acceptance to purchase all or any part of the Offered Shares and after an apportionment has been made pursuant to Article 10.02(c), if necessary, a binding contract of purchase and sale between the Offeror and the Shareholder who transmitted such acceptance

shall be deemed to come into existence on the terms set out in this Agreement and the RFR Offer, which contract will be completed in the manner provided in Article XV.

- (f) After an apportionment has been made pursuant to Article 10.02(c) and upon payment of the price for the Offered Shares apportioned, the Offeror shall be bound to transfer those shares in accordance with that apportionment and if the Offeror fails to do so the Corporation shall cause the names of the purchasing Shareholders to be entered in the securities register of the Corporation as the holders of those shares and shall cancel the share certificates previously issued to the Offeror representing those shares whether they have been produced to the Corporation or not. Payment to the Corporation, as agent for the Offeror, of the purchase price for the Offered Shares shall be sufficient payment by the purchasing Shareholders and entry of the transfers in the securities register of the Corporation shall be conclusive evidence of the validity of the transfers. Upon completion of the transfers, and delivery of the share certificates duly endorsed in blank for transfer, the Corporation shall pay the purchase price to the Offeror.
- (g) The Offeror may for a period of 90 days after the expiration of the 14-day period provided for in Article 10.02(b) transfer to any person the Offered Shares not purchased by other Shareholders pursuant to Articles 10.02(b), (c), (d), (e) and (f), provided that:
 - (i) if the other Shareholders did not purchase any of the Offered Shares, the Offeror may not sell less than all the Offered Shares;
 - (ii) the Offeror shall sell the Offered Shares for cash at closing, free and clear of encumbrances, and on terms which are identical to those specified in the RFR Offer;
 - (iii) the Offeror shall not sell any of the Offered Shares to any person, unless at the time of the sale that person complies with Article 10.04; and
 - (iv) if the Offeror has not transferred the Offered Shares or any of them within the 90-day period, then the provisions of this Article 10.02 shall again become applicable to all of the Offered Shares not disposed of within the 90-day period.
- (h) The provisions as to transfers of Shares contained in Articles 10.02 (a), (b), (c) and (d) shall not apply:
 - (i) if, before the proposed transfer of Shares is made, the other Shareholders waive their rights to receive the RFR Offer; or
 - (ii) to any transfer of Shares pursuant to the provisions of Articles IV, XII, XIII and XIV of this Agreement.
- (i) The Offeror may include all or any part of its Shareholder Advances in the RFR Offer, in which case the Shareholder Advances (or part thereof) shall be included in the price of the Offered Shares, and all references to Offered

Shares in this Article 10.02 shall include the portion of the Shareholder Advances included therein. If the Offeror does not include its Shareholder Advances in the RFR Offer, the Offeror shall retain its Shareholder Advances, which shall be repaid as the Corporation's finances permit, as determined by the Directors.

10.03 NO TRANSFER BY DEFAULTING SHAREHOLDER

Notwithstanding any other provision of this Agreement, except as required by the terms of this Agreement, no Shareholder shall be entitled to sell, transfer, assign or otherwise dispose of its Interest, or any part thereof, without the prior written consent of the other Shareholders, if it is at that time a Defaulting Shareholder, unless prior to or concurrently with that sale, transfer or other disposition it ceases to be a Defaulting Shareholder.

10.04 FURTHER RESTRICTIONS ON TRANSFER

No Shareholder shall transfer all or any part of its Interest to any person, whether a Shareholder or not, who is not a party to or has not agreed to be bound by this Agreement until such person subscribes to or agrees to be bound by the terms of this Agreement including, for greater certainty, the obligations of the Shareholders contained in Article XIV. The Shareholders and the Corporation will not recognize or treat as a shareholder of the Corporation any person who acquires any interest or control over any Shares or afford any such person the rights afforded by this Agreement or any of the incidents connected with being a shareholder of the Corporation until such person subscribes to or agrees to be bound by this Agreement, and the Shareholders need only deal with as a shareholder of the Corporation persons who have subscribed to or agreed to be bound by this Agreement.

10.05 PIGGY-BACK RIGHTS

- (a) If, at any time, an Offeror which owns more than 25% of the issued and outstanding shares of the Corporation receives, from an arm's length third party (the "Third Party Offeror"), a bona fide Third Party Offer to purchase all or any part of the Interest held by or on behalf of the Offeror, the Offeror shall not accept such Third Party Offer unless:
 - (i) the Third Party Offeror has agreed to purchase from any other Shareholders entitled to receive an RFR Offer (the "Other Shareholders") all, or the same percentage, of the Interest held by or for the benefit of the Other Shareholders that the Third Party Offeror is offering to purchase from the Offeror, for the same per Share and per dollar amount of Shareholder Advances price, and on the same terms and conditions as set out in the Third Party Offer;
 - (ii) the Offeror has delivered to the Other Shareholders a copy of such Third Party Offer and a notice in writing (the "Piggy-Back Notice") specifying that the Offeror is prepared to accept such Third Party Offer; and

- (iii) if the Other Shareholders elect to sell their Interest to the Third Party Offeror pursuant to Article 10.05(b)(i), the Third Party Offeror has executed such agreements or documents reasonably acceptable to the Other Shareholders to reflect the agreement referred to in Article 10.05(a)(i).
- (b) Following receipt by the Other Shareholders of a Piggy-Back Notice, each of the Other Shareholders shall have the right, exercisable within 30 days from the date of its receipt of the Piggy-Back Notice, to notify the Offeror in writing:
 - (i) that the Other Shareholder is electing to sell its Interest to the Third Party Offeror at the same prices per share and per dollar amount of Shareholder Advances, and on the same terms and conditions set out in the Third Party Offer (each an "Electing Shareholder"); or
 - (ii) that the Other Shareholder is electing not to sell its Interest to the Third Party Offeror.
- (c) If any of the Other Shareholders does not notify the Offeror in writing within the period of 30 days provided in Article 10.05(b) of the election by the Other Shareholder to sell its Interest to the Third Party Offeror pursuant to Article 10.05(b)(i), the Other Shareholder shall be deemed to have elected not to sell its Interest to the Third Party Offeror.
- (d) In addition:
 - (i) Provided that the Offeror has complied with Article 10.05(a), and provided that all of the Other Shareholders are Electing Shareholders, following the expiration of the 30-day period referred to in Article 10.05(b) the Offeror and any Electing Shareholder may, for 30 days thereafter, sell their Interests to the Third Party Offeror (or its nominee), at the same prices per share and per dollar amount of Shareholder Advances and on the same terms and conditions as set out in the Third Party Offer.
 - (ii) The Offeror and any Electing Shareholder shall not sell all or any part of their Interests pursuant to Article 10.05(d)(i) to any person other than the Third Party Offeror (or its nominee) or at any price or on terms different from those set out in the Third Party Offer.
 - (iii) If any of the Other Shareholders elects not to sell its Interest to the Third Party Offeror pursuant to Article 10.05(b)(ii), or pursuant to Article 10.05(c) is deemed to have elected not to sell its Interest to the Third Party Offeror, the Offeror and any Electing Shareholder may sell to the Third Party Offeror all or any part of the Interest held by or on their behalf provided the Offeror and each Electing Shareholder first complies with Article 10.02.

ARTICLE XI

SHARES AND ADVANCES

11.01 DISPOSITION

For the purposes of this Agreement, any transfer, sale, assignment, transmission, bequest, inheritance, mortgage, encumbrance or other disposition of shares (including death) having the result (directly or indirectly and either immediately or subject to the happening of any contingency) of changing the identity of the person or persons exercising or who might exercise control of any corporate Shareholder (from the applicable party exercising control of any such corporate Shareholder as of the date of execution of this Agreement) shall be deemed to be a transfer by such corporate Shareholder of his Interest hereunder notwithstanding whether such change shall be voluntary or involuntary on the part of such corporate Shareholder.

11.02 SHARES OF THE CORPORATION

The provisions of this Agreement relating to Shares of the Corporation shall apply *mutatis mutandis* to any Shares or securities into which such Shares may be converted, changed, reclassified, redivided, redesignated, redeemed, subdivided or consolidated, to any Shares or securities that are received by the Shareholders hereto as a stock dividend or distribution payable in Shares or securities of the Corporation and to any Shares or securities of the Corporation or of any successor or continuing company or corporation to the Corporation that may be received by the Shareholders hereto on a reorganization, amalgamation, consolidation or merger, statutory or otherwise.

ARTICLE XII

TRANSFER BY OPERATION OF LAW

12.01 DISPOSITION

For the purposes of this Article XII, "Disposition" shall be deemed to mean:

- (a) where the following occurs in relation to an individual Shareholder, namely:
 - (i) he is petitioned into bankruptcy or makes an assignment for the benefit of his creditors;
 - (ii) he is judged insane or incompetent to handle his own affairs by a court of competent jurisdiction;
 - (iii) an order is made by a court of competent jurisdiction purporting to deal with his Shares pursuant to the Matrimonial Property Act of Alberta, the Divorce Act of Canada or other similar legislation; or

- (iv) his Shares are seized or attached in any way for the payment of any judgment or order; and
- (b) where the following occurs in relation to a corporate Shareholder, namely:
 - (i) where any of the events listed in Article 12.01(a)(i) to (iv) occur with respect to the beneficial owner of fifty (50%) per cent or more of all the issued and outstanding voting shares in the capital of any such corporate Shareholder;
 - (ii) where any of the events listed in Article 11.01 occur;
 - (iii) proceedings are instituted for the dissolution or winding-up of any such corporate Shareholder;
 - (iv) such corporate Shareholder is petitioned into bankruptcy or makes an assignment for the benefit of its creditors;
 - (v) if a Certificate of Dissolution is issued with respect to such corporate Shareholder by the Registrar of Corporations or such corporate Shareholder is otherwise dissolved and its corporate status terminated in the Province of Alberta;
 - (vi) such corporate Shareholder's Shares are seized or attached in any way for the payment of any judgment or order.

12.02 OPTION

The purported Disposition by a Shareholder (herein referred to as the "Disposing Shareholder") of his Interest or any portion thereof shall be deemed to be a grant to the other Shareholders of an option to purchase such Interest (or portion thereof which is the subject of the purported Disposition). The option period shall be ninety (90) days and shall commence to run from the date upon which the other Shareholders receive actual notice of the purported Disposition upon which the option arises. Notice of exercise of the option shall be by written notice.

12.03 CLOSING

If any Shareholders or one or more of them elect to exercise the option referred to in this Article XII (the "Accepting Shareholders"), the transaction of purchase and sale shall be completed in the manner provided in Article XV. On the Closing, the Accepting Shareholders shall determine whether, in what manner and to what extent each of them shall acquire the Shares of the Disposing Shareholder. In default of agreement, the provisions of Article 4.05 above shall govern.

12.04 PURCHASE PRICE

The purchase price (the "Option Purchase Price") payable by the Accepting Shareholders to the Disposing Shareholders shall be as agreed upon by the parties and, failing agreement, shall be fair market value as determined in accordance with Article 16.02.

ARTICLE XIII

BUY-SELL ON DEATH

13.01 TERMINATION OF OBLIGATIONS

The provisions of this Article XIII shall continue in force and effect until the occurrence of any of the following events:

- (a) The bankruptcy, receivership, winding-up or dissolution of the Corporation or the Limited Partnership;
- (b) The execution of an agreement to terminate the provisions of this Article by the Shareholders;
- (c) VWT ceases to be a shareholder of the Corporation; or
- (d) The completion of the various procedures and transactions which, by the terms of this Article, are to come about following the death of Bauer.

13.02 REPURCHASE OF CONTROLLED SHARES

Upon the death of Glenn Bauer ("Bauer"), the Corporation shall repurchase VWT's interest (herein called "Controlled Interest") in the Corporation for the price and subject to the other terms and conditions of this Article XIII.

13.03 PURCHASE PRICE

The purchase price (in this Article XIII called the "Deceased Purchase Price") for the Controlled Interest shall be the fair market value thereof, computed as of the date immediately preceding the death of Bauer, in accordance with Article 16.02.

13.04 CLOSING

The Closing of the repurchase of the Controlled Interest will be completed in the manner provided in Article XV and will take place on that date which is the later of:

- (a) 120 days following the date of the death of Bauer; and

- (b) 30 days after the final determination of the Deceased Purchase Price.

ARTICLE XIV

BUY-SELL AFTER FIVE YEARS

14.01 COMPULSORY PURCHASE

Effective on the first Business Day that is five years after the day TCL acquires its 60 Class "A" Common Shares in the Corporation, TCL agrees to purchase from VWT, and VWT agrees to sell to TCL (the "Compulsory Purchase"), all of VWT's Interest in the Corporation (the "VWT Interest") at a purchase price (the "Compulsory Purchase Price") equal to fair market value thereof.

14.02 ACCELERATION OF COMPULSORY PURCHASE

If CIBC takes any action to enforce ("CIBC Enforcement Event") its security in any property of the Corporation or the Limited Partnership as the result of any default of the terms and conditions of any facility granted by CIBC to Ticho Investment Corporation ("TIC"), the time of the Compulsory Purchase will be accelerated effective on the first Business Day occurring after such CIBC Enforcement Event. TCL will pay to VWT the after-tax amount of any costs (the "TIC Default Costs") incurred by the Corporation (as to 40% thereof) and VWT (as to 100% thereof) occurring as a result of any CIBC Enforcement Event, to the extent such costs have not been paid by Newco pursuant to the Newco USA.

14.03 CLOSING

The Closing of the purchase and sale of the VWT Interest shall be completed in the manner provided in Article XV.

ARTICLE XV

COMPLETION OF TRANSFERS

15.01 TIME AND PLACE OF CLOSING

Except as otherwise expressly provided in this Agreement, or unless the Purchaser and the Vendor otherwise agree in writing, each contract of purchase and sale arising out of Articles IV, X (other than sales under Article 10.05), XII, XIII or XIV shall be completed at a Closing to be held at 2:00 p.m., Alberta time, at the registered office of the Corporation or at such other place as the parties to such contract may agree, on the day (the "Closing Date") which is, in the case of contracts referred to in:

- (a) Articles IV, X, XII and XIV, the later of:
 - (i) 60 days following the date on which such contract is formed; and

(ii) 30 days following the final determination of the Purchase Price thereunder; and

(b) Article XIII, the date determined in accordance with Article 13.04;

or, if such day is not a Business Day, on the next Business Day, or on such earlier day as the parties to such contract may agree.

15.02 PARTIES TO THE CONTRACT

In this Article XV, a contract referred to in Article 15.01 is called a "Contract", and the Shares or Interest to be sold and purchased pursuant to a Contract are called the "Transfer Interest".

15.03 PAYMENT FOR TRANSFER INTEREST

Except as otherwise expressly provided in this Agreement, or unless the Purchaser and the Vendor otherwise agree in writing, the Purchase Price for the Transfer Interest shall be paid in full on the Closing Date.

15.04 CLOSING DOCUMENTS & ESCROW BY CORPORATION

(a) In addition to any other documents required by this Agreement or the terms of the Contract, the Vendor shall deliver to the Corporation at the Closing, duly executed where appropriate:

(i) an instrument of transfer, share certificates representing the shares being transferred, duly endorsed for transfer, and such other documents as may be necessary to assign and transfer the Transfer Interest to the Purchaser;

(ii) the resignation of the Vendor and any persons nominated by the Vendor as Directors or Officers of the Corporation from all offices and directorships in the Corporation, effective on the Closing Date;

(iii) if the Vendor is indebted to the Corporation, a certified cheque, bank draft or solicitor's trust cheque payable to the Corporation for the amount of such indebtedness;

(iv) a release of any and all claims which the Vendor may have against the Corporation; and

(v) all such other documents and assurances as may be required to comply with and to fulfill the intent of this Agreement and the terms of the Contract.

(b) In addition to any other documents and things required by this Agreement or the terms of the Contract, the Purchaser shall deliver to the Vendor at

the Closing, duly executed where appropriate, against delivery by the Vendor to the Purchaser of the documents referred to in Article 15.04(a):

- (i) the Purchase Price for the Transfer Interest payable at the Closing in cash or by certified cheque, bank draft or solicitor's trust cheque;
 - (ii) a release by the Corporation of all claims which the Corporation may have against the Vendor; and
 - (iii) all such other documents and assurances as may be required to comply with and to fulfill the intent of this Agreement and the terms of the Contract.
- (c) All documents delivered by the Vendor to the Corporation at or before the Closing shall be held by the Corporation until the Purchaser has delivered all documents and paid all money required to be delivered or paid to the Vendor by the Purchaser at the Closing, at which time the Corporation shall deliver to the Purchaser the documents delivered by the Vendor pursuant to Article 15.04(a) and the transfer of the Transfer Interest to the Purchaser shall be completed by the Corporation and new certificates issued for the Shares included in the Transfer Interest.

15.05 TIME TO BE OF THE ESSENCE

Time shall be of the essence of each Contract and each Contract shall be binding upon the parties thereto and upon their respective heirs, executors, administrators, successors, legal representatives and assigns.

ARTICLE XVI

GENERAL PROVISIONS ON TRANSFER

16.01 TRANSFER OF SHARES

The transfer of the Shares or Interest of any Shareholder pursuant to any of the terms of this Agreement shall be subject to the general provisions set out in this Article XVI. In the event of any inconsistency between any of the other provisions of this Agreement and any of the provisions of this Article XVI, the provisions of this Article XVI shall govern.

16.02 DETERMINATION OF FAIR MARKET VALUE

- (a) Where pursuant to the provisions of this Agreement a determination of the fair market value of an Interest is required to be made (in this subsection 16.02 referred to as the "Subject Interest"), a Shareholder may give written notice to the other Shareholders requesting that the Shareholders forthwith meet and attempt in good faith to agree upon the fair market value of the Subject Interest. In the event that all of the

Shareholders are able to reach agreement on the fair market value of the Subject Interest, such agreed value shall be deemed to be the fair market value of the Subject Interest for the purposes of this Agreement.

- (b) In the event that the Shareholders are for any reason unable to reach agreement on the fair market value of the Subject Interest within 14 days of the delivery of the notice referred to in Article 16.02(a), then the fair market value of the Subject Interest will be determined by formula as follows:

$$(A + B - C - D) \times .001 \times E$$

Where:

A equals the fair market value of the Subject Interest (as defined in and determined in accordance with the terms of the Newco USA) (the "Newco FMV")

B equals the aggregate amount of all indebtedness of Newco (as of the time of the determination of the Newco FMV)

C equals the amount of the Newco FMV that is represented by advances made by the Vendor to Newco (as of the time of the determination of the Newco FMV)

D equals the fair market value of the assets of Newco other than its interest in the Limited Partnership (as of the time of the determination of the Newco FMV)

E equals the Vendor's pro rata shareholdings in the Corporation

16.03 MULTIPLE PURCHASERS

If the Purchaser includes two or more Shareholders, the purchasing Shareholders shall purchase the Interest of the Vendor pro rata in accordance with the purchasing Shareholders' respective shareholdings in the Corporation, excluding the Shares of the Vendor, and each purchasing Shareholder shall be liable only for payment of the portion of the Purchase Price payable in respect of the Interest to be purchased by it.

16.04 SET-OFF IF VENDOR INDEBTED TO CORPORATION

Notwithstanding anything in this Agreement to the contrary, if on the date of a Closing the Vendor is, according to the books of the Corporation and as certified by the Auditors of the Corporation, indebted to the Corporation, the Purchaser has the right, in the case of a liquidated claim, to pay and discharge the indebtedness of the Vendor out of the purchase money payable by it to the Vendor, or in the case of an unliquidated claim, to deposit in an interest-bearing trust account in a Canadian chartered bank or trust company in escrow an amount estimated by the Purchaser to be equal to the unliquidated claim, and, in either case, to reduce the amount of the Purchase Price payable to the Vendor by the amount so paid or deposited. Any amount deposited in escrow as

aforesaid shall remain deposited until the claim has either been settled or adjudicated, at which time it shall be withdrawn and paid out pursuant to the settlement or adjudication.

16.05 PAYMENT OF LIENS ON SHARES

Notwithstanding anything in this Agreement to the contrary, if by reason of any lien, charge or encumbrance on the Interest of the Vendor, the Vendor is unable to make delivery of the Vendor's Interest free and clear of all charges, liens or encumbrances to the Purchaser within the time limited therefor, the Purchaser shall be at liberty to make payment to the holder of the lien or charge or the governmental authority imposing the duty, tax, levy or lien, which payment shall be deemed to be payment to the Vendor and shall be applied in reduction of the unpaid balance of the Purchase Price and interest accrued thereon.

16.06 CORPORATION PURCHASING INTEREST

Whenever in this Agreement there is a reference to the Corporation purchasing an Interest or part of an Interest, then if the Interest includes any Shareholder Advances, upon Closing such Shareholder Advances, or the part thereof being "purchased" by the Corporation, as the case may be, shall be deemed to have been repaid.

ARTICLE XVII

GENERAL

17.01 DURATION OF AGREEMENT

This Agreement shall continue in full force and effect until terminated by agreement amongst the Shareholders except with respect to the provisions of Article XIII hereof which shall terminate in accordance with the provisions contained therein.

17.02 ENDORSEMENT ON SHARE CERTIFICATES

Any and all certificates representing Shares now or hereafter owned by the Shareholders during the currency of this Agreement (whether such Shares are issued initially or with respect to transfer or otherwise) shall have endorsed thereon in bold type the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE PROVISIONS OF A UNANIMOUS SHAREHOLDERS AGREEMENT MADE JUNE 30, 2009, AND SUCH SHARES ARE NOT TRANSFERABLE ON THE BOOKS OF THE CORPORATION EXCEPT IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF SUCH AGREEMENT."

17.03 ARBITRATION

In the event that any disagreement arises between the parties hereto with reference to this Agreement or any matter arising hereunder and upon which the parties cannot agree, then any such dispute shall be referred to arbitration in accordance with the provisions of the *Arbitration Act* (Alberta) or other similar legislation in force in the Province of Alberta from time to time.

17.04 APPOINTMENT OF AGENT

The Secretary is hereby appointed as agent for the parties hereto to effect any transfer of shares of the Corporation in accordance with the terms hereof.

17.05 MUTUAL INDEMNIFICATION

Each of the Shareholders severally agree to indemnify each of the other Shareholders against and reimburse each of such other Shareholders for any and all liabilities which such other Shareholder may incur or become subject to and amounts which such other party may pay or be required to pay which are in excess of such Shareholder's proportionate share of the liabilities and obligations of the Shareholders under the terms of this Agreement; provided that nothing contained in this Article 17.05 shall in any way be deemed to or shall require any Shareholder to incur any liability or provide any funds other than as may be expressly provided for herein.

17.06 TIME

Time shall be of the essence of this Agreement.

17.07 NON-WAIVER

No provision of this Agreement shall be deemed to be waived unless such waiver is in writing. Any waiver of any default committed by any of the parties hereto in the observance of the performance of any part of this Agreement shall not extend to or be taken in any manner to affect any other default.

17.08 NOTICES

Any notice or other communication required or permitted to be given by any party hereto to any other party shall be in writing and shall be delivered personally or by prepaid registered mail addressed to the party to which it is to be given as follows:

- (a) If to the Corporation: at its registered office as disclosed from time to time on the records of the Registrar of Corporations for Alberta.

- (b) If to a Shareholder: at the address of such Shareholder last appearing on the records of the Corporation.

Every notice shall be deemed to have been duly given, if delivered, at the date of delivery thereof and if sent by mail, at the expiration of two (2) business days after a prepaid envelope containing the same has been placed in the registered mail and in the event of interruption of postal service, at the expiration of two (2) business days following the resumption of such service.

17.09 ENUREMENT

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns and respective heirs, successors, administrators and assigns and shall be governed in all respect by the laws of the Province of Alberta.

17.10 EXECUTION

This Agreement may be executed in any number of counterparts by any one or more of the parties. Each executed counterpart shall be deemed to be an original and such counterparts shall together constitute one and the same Agreement.

IN WITNESS WHEREOF the parties have properly executed this Agreement effective as of June 30, 2009.

TLI CHO LOGISTICS INC.

Per: _____

Authorized Signatory

VENTURES WEST TRANSPORT INC.

Per: _____

Authorized Signatory

1456998 ALBERTA LTD.

Per: _____

Authorized Signatory

SCHEDULE A

Authorized Capital of the Corporation

The authorized capital of the Corporation is divided into:

- (a) an unlimited number of Class "A" Common Shares without nominal or par value;
- (b) an unlimited number of Class "B" Common Shares without nominal or par value;
- (c) an unlimited number of Class "C" non-cumulative redeemable Preferred Shares without nominal or par value;
- (d) an unlimited number of Class "D" non-cumulative redeemable Preferred Shares without nominal or par value;

SCHEDULE B

Matters Requiring Unanimous Consent of the Shareholders

Pursuant to Article 8.01 of the Agreement, the following matters shall require the unanimous consent of the Shareholders:

- (a) the approval of, or any amendment to, the annual capital expenditure budget of the Corporation or the Limited Partnership;
- (b) except for any expenditures contemplated by an approved capital expenditure budget, any single capital expenditure of the Corporation or the Limited Partnership in excess of \$100,000 per year, or any series of related capital expenditures which exceed, in the aggregate, the sum of \$100,000 per year;
- (c) the acquisition (by purchase, lease or otherwise) by the Corporation or the Limited Partnership of any asset having a value in excess of \$100,000;
- (d) the entering into, execution, acknowledgement, amendment, supplement, cancellation or termination of any Material Contract on behalf of the Corporation or the Limited Partnership and, for this purpose, "Material Contract" means any of the following:
 - (i) any contract, agreement or other instrument to be entered into by the Corporation or the Limited Partnership with any Shareholder or an affiliate of a Shareholder;
 - (ii) any contract, agreement or other instrument to be entered into by the Corporation or the Limited Partnership which may in the aggregate over the term of the contract, agreement or instrument involve an obligation to pay in excess of \$100,000; and
 - (iii) any other contract, agreement or other instrument to be entered into by the Corporation or the Limited Partnership which is material to the business, condition (financial or otherwise), operations or performance of the Corporation or the Limited Partnership;
- (e) any change in the authorized signing officers of the Corporation in respect of legal documents or transactions with any bank or other financial institution;
- (f) any material change in the salary, fringe benefits or other compensation whatsoever to be paid to the Directors, Officers or senior management of the Corporation or the Limited Partnership;
- (g) the adoption or amendment of any bonus, incentive, deferred compensation, stock option, profit sharing, pension or similar plan for any or all of the employees of the Corporation or the Limited Partnership;
- (h) the declaration or payment of, or agreement to declare or pay, any dividend, salary, bonus, fees or other amount by the Corporation to any Shareholder or affiliate of a Shareholder;
- (i) any material change or amendment to the Management Agreement;

- (j) any material change or amendment to the Partnership Agreement;
- (k) any borrowing by the Corporation or the Limited Partnership;
- (l) the guarantee by the Corporation or the Limited Partnership of the debts of any other person;
- (m) any loans by the Corporation or the Limited Partnership to any other person;
- (n) the sale, lease, transfer, mortgage, pledge or other disposition of all or substantially all of the undertaking of the Corporation or the Limited Partnership;
- (o) any amendment to the Articles, By-laws or other constating documents of the Corporation;
- (p) the consolidation, merger or amalgamation of the Corporation or the Limited Partnership with any other company, association, partnership or other legal entity;
- (q) the creation, allotment or issuance of, or agreement to create, allot or issue, any shares, units or other securities of the Corporation or the Limited Partnership, or the granting of any option or right capable of becoming an option to purchase any shares, units or other securities of the Corporation or the Limited Partnership;
- (r) the winding-up or liquidation of the Corporation or the Limited Partnership, the institution of proceedings to be adjudicated a bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada), the consenting to the institution of such proceedings against the Corporation or the Limited Partnership, the consenting to the institution of bankruptcy or insolvency proceedings against the Corporation or the Limited Partnership under the *Bankruptcy and Insolvency Act* (Canada) or any other analogous laws, the consenting to the filing of any such petition or to the appointment of a receiver or receiver-manager of the property of the Corporation or the Limited Partnership, the making of a general assignment for the benefit of creditors, the filing of a proposal to settle payments of creditors' liabilities under the *Companies' Creditors Arrangement Act*, the admission in writing of the insolvency of the Corporation or the Limited Partnership, or the taking of any corporate action in furtherance of any of the aforesaid purposes; and
- (s) the redemption, repurchase or retirement for value of any shares, units or other securities of the Corporation or the Limited Partnership, except under the provisions of this Agreement.

SCHEDULE C

Disclosable Contracts with the Corporation or the Limited Partnership

Pursuant to Article 5.09 of the Agreement, the following is a list of the Disclosable Contracts that have been disclosed in writing to the Corporation:


- (a) Management Agreement;
- (b) Equipment Lease between 1290225 Alberta Ltd. and the Limited Partnership dated June 30, 2009;
- (c) Equipment Lease between 1290222 Alberta Ltd. and the Limited Partnership dated June 30, 2009;
- (d) Equipment Lease between Fluid Motion Leasing Ltd. and the Limited Partnership dated June 30, 2009;
- (e) Equipment Lease between NBX Leasing Ltd. and the Limited Partnership dated June 30, 2009; and
- (f) Equipment Lease between TCL and the Limited Partnership dated June 30, 2009.

EXHIBIT "F"

This is Exhibit "F" referred to in the Affidavit of

MARK BRAJER

Sworn before me this 27th day of November, 2019



A Commissioner for Oaths
in and for the Northwest Territories

Brittany J.A. Scott

Barrister & Solicitor, Notary Public
and a Commissioner for Oaths
in and for the Northwest Territories.
My Commission does not expire.

UNANIMOUS SHAREHOLDERS AMENDING AGREEMENT ("Second Amending Agreement") made effective this 18th day of December, 2015.

BETWEEN:

DENESOLINE CORPORATION LTD.

A Northwest Territories Corporation
having its registered office in the
Northwest Territories
("Denesoline")

-and-

TLICHO INVESTMENT CORPORATION

A Northwest Territories Corporation
having its registered office in the
Northwest Territories
("Tlicho")

-and-

1456982 ALBERTA LTD.

An Alberta corporation having its
registered office at the City of Edmonton,
in the Province of Alberta
(the "Corporation")

WHEREAS Tli Cho Logistics Inc., Ventures West Transport Inc. and the Corporation entered into an Unanimous Shareholders Agreement dated the 30th day of June, 2009 (the "Agreement"), which was amended by an Amending Agreement between Tli Cho Logistics Inc., Ventures West Transport Inc., Denesoline Corporation Ltd. and the Corporation, effectively dated the 1st day of April, 2011 (the "First Amending Agreement");

AND WHEREAS as of the date of this Second Amending Agreement the Shareholders of the Corporation are Denesoline and Tlicho.

AND WHEREAS the parties wish to amend the Agreement on the terms and subject to the conditions set forth in this Second Amending Agreement;

NOW THEREFORE THIS AMENDING AGREEMENT WITNESSETH THAT:

1. Article 2 of the First Amending Agreement is deleted and replaced with the following:

- "2. There are presently issued and outstanding the following shares in the capital stock of the Corporation, all of which are fully paid and non-assessable and beneficially owned by the parties indicated below, namely:

<u>Shareholder</u>	<u>Certificate Number</u>	<u>Description of Shares</u>
Tlichó	7A	300 Class "A" Common Shares
Denesoline	3B	100 Class "B" Common Shares
Tlichó	4C	600 Class "C" Common Shares"

2. Effective as of August 15, 2015, Tlichó is added as a party to the Agreement.
3. Article 4 of the First Amending Agreement is deleted.
4. Article 5 of the First Amending Agreement is deleted and replaced with the following:
- "5. Effective the date hereof the first sentence of Article 5.01 shall be amended to the following:

The Shareholder shall vote their Shares so that the Board of Directors of the Corporation is comprised of Four (4) Directors, which shall include three (3) nominees of Tlichó and one (1) nominee of Denesoline. Should a director nominated by Tlichó be removed, Tlichó has the obligation to appoint the replacement for such removed director and should a director nominated by Denesoline be removed, Denesoline has the obligation to appoint the replacement for such removed director."

5. Article 6 of the First Amending Agreement is deleted and replaced with the following:
- "6. Effective the date hereof Article 8.1 shall be replaced by the following:

8.01 CONDUCT

Unless otherwise agree by the unanimous approval of the Shareholders, the Shareholders shall not cause or permit the Corporation, and the Board of Directors shall not authorize the Corporation to undertake any of the matters set out in Schedule B to this Agreement."

6. Article 7 of the First Amending Agreement is deleted and replaced with the following:
- "7. Except as herein amended, the parties hereto agree that the Unanimous Shareholders Agreement remains in full force and effect and otherwise unamended as of the date hereof."

7. All words and expressions used in this Second Amending Agreement, unless there is something in the subject matter or context inconsistent therewith, shall have the same meaning ascribed to them in the Agreement.
8. The invalidity of any particular provision shall not affect any other provision and this Second Amending Agreement shall be construed as if the invalid provision were omitted.
9. This Second Amending Agreement shall be deemed an amendment to the Agreement and First Amending Agreement and each of the parties is bound thereby as evidenced by his, her or its signature to this Second Amending Agreement. For greater clarification, except as amended by this Second Amending Agreement, the Agreement and First Amending Agreement shall remain in effect and enforceable in accordance with its terms.
10. Time shall remain of the essence.
11. This Second Amending Agreement shall enure to the benefit of and be binding upon the parties to this Second Amending Agreement and their respective heirs, executors, successors and permitted, as the case may be, assigns.
12. This Second Amending Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument. This Second Amending Agreement may be transmitted by facsimile or e-mail attachment and the reproduction of signatures in such manner will be binding as if originals.

[The remainder of this page left intentionally blank.]

IN WITNESS WHEREOF the parties to this Second Amending Agreement have hereunto set their hands and seals and the corporations has hereunder affixed its corporate seal by the hand or hands of its proper officers duly authorized on that behalf as of the day and year first above written.

DENESOLINE CORPORATION LTD.

Per: *[Handwritten Signature]*

TLICHO INVESTMENT CORPORATION

Per: Executed in Counterpart

1456982 ALBERTA LTD.


Per: Executed in Counterpart

IN WITNESS WHEREOF the parties to this Second Amending Agreement have hereunto set their hands and seals and the corporations has hereunder affixed its corporate seal by the hand or hands of its proper officers duly authorized on that behalf as of the day and year first above written.

DENESOLINE CORPORATION LTD.

Per: Executed in Counterpart

TLICHO INVESTMENT CORPORATION

Per: 

1456982 ALBERTA LTD.

Per: 

AMENDING AGREEMENT

THIS AGREEMENT (this "Agreement") made effective as of the 1st day of April, 2011.

AMONG:

1456982 ALBERTA LTD.
an Alberta Corporation having its
registered office at the City of Edmonton,
in the Province of Alberta

(hereinafter called the "Corporation")

OF THE FIRST PART

- and -

TLI CHO LOGISTICS INC.
A Northwest Territories Corporation
Having its registered office in the
Northwest Territories

(hereinafter called "TCL")

OF THE SECOND PART

- and -

VENTURES WEST TRANSPORT INC.
an Alberta Corporation having its
registered office at the City of Edmonton,
in the Province of Alberta

(hereinafter called "VWT")

OF THE THIRD PART

- and -

DENESOLINE CORPORATION LTD.
A Northwest Territories Corporation
Having its registered office in the
Northwest Territories

(hereinafter called "Denesoline")

OF THE FOURTH PART

Such other persons as may subscribe to
or be made parties to this Unanimous Shareholders
Agreement by operation of law

OF THE FIFTH PART

WHEREAS:

A. By a Unanimous Shareholders Agreement made as of the 30th day of June, 2009 between the Corporation and TCL and VWT (the "Unanimous Shareholders Agreement"), the parties agreed to those certain matters set forth and more particularly described therein concerning the regulation of the rights and liabilities of the Shareholders of the Corporation and concerning aspects of the management of the business and affairs of the Corporation:

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all of the parties hereto, the parties hereto covenant and agree as follows:

1. Effective the date hereof Denesoline Corporation Ltd. has purchased shares (the "Share Purchase") in the Corporation:

2. There are presently issued and outstanding the following shares in the capital stock of the Corporation, all of which are fully paid and non-assessable and beneficially owned by the parties indicated below, namely:

<u>Shareholder</u>	<u>Certificate Number</u>	<u>Description of Shares</u>
Tli Cho Logistics Ltd.	2C	600 Class C Shares
Ventures West Transport Inc.	6A	300 Class A Shares
Denesoline Corporation Ltd.	2B	100 Class B Shares

3. Effective the date hereof Denesoline Corporation Ltd. is added as a party to the Unanimous Shareholders Agreement:

4. Effective the date hereof, a new Article 3.05 (e) shall be added as follows:

3.05 (e) the Directors shall declare a dividend by June 30, 2012 to the extent available pursuant to this Article 3.05 and, subject to the shareholdings being the same as the date of this Amending Agreement, the dividends shall be payable to TCL as to 60%, to VWT as to 30% and to Denesoline as to 10% and Denesoline will be paid its said dividend regardless of whether the other parties defer payment of their dividends.

5. Effective the date hereof the first sentence of Article 5.01 shall be amended to the following:

The Shareholder shall vote their Shares so that the Board of Directors of the Corporation is comprised of six (6) Directors, which shall include three nominees of TCL, two nominees of VWT and one nominee of Denesoline.

6. Effective the date hereof Article 8.1 shall be replaced by the following:

8.01 CONDUCT

Unless otherwise agreed by consent of ninety (90%) percent of the Shareholders holding voting Shares, the Shareholders shall not cause or permit the Corporation, and the Board of Directors shall not authorize the Corporation to undertake any of the matters set out in Schedule B to this Agreement.

7. Except as herein amended, the parties hereto agree that the Unanimous Shareholders Agreement remains in full force and effect and otherwise unamended as of the date hereof, except for the sake of greater certainty it is hereby acknowledged and agreed by the parties that neither this Agreement nor the Share Purchase: (i) adversely affects TCL's compulsory right and obligation to purchase VWT's interest in the Corporation effective June 30, 2014 pursuant to Article 14.01 (except that TCL's compulsory right and obligation shall be limited to VWT's remaining 300 Class A Shares), or (ii) gives Denesoline any further right to purchase any part of VWT's remaining interest in the Corporation.

IN WITNESS WHEREOF each of the parties has duly executed these presents as of the day and year first above written.

1456982 ALBERTA LTD.

Per:  (c/s)

VENTURES WEST TRANSPORT INC.

Per:  (c/s)

DENESOLINE CORPORATION LTD.

Per: _____ (c/s)

TLI CHO LOGISTICS INC.

Per:  (c/s)

6. Effective the date hereof Article 8.1 shall be replaced by the following:

8.01 CONDUCT

Unless otherwise agreed by consent of ninety (90%) percent of the Shareholders holding voting Shares, the Shareholders shall not cause or permit the Corporation, and the Board of Directors shall not authorize the Corporation to undertake any of the matters set out in Schedule B to this Agreement.

7. Except as herein amended, the parties hereto agree that the Unanimous Shareholders Agreement remains in full force and effect and otherwise unamended as of the date hereof, except for the sake of greater certainty it is hereby acknowledged and agreed by the parties that neither this Agreement nor the Share Purchase: (i) adversely affects TCL's compulsory right and obligation to purchase VWT's interest in the Corporation effective June 30, 2014 pursuant to Article 14.01 (except that TCL's compulsory right and obligation shall be limited to VWT's remaining 300 Class A Shares), or (ii) gives Denesoline any further right to purchase any part of VWT's remaining interest in the Corporation.

IN WITNESS WHEREOF each of the parties has duly executed these presents as of the day and year first above written.

1456982 ALBERTA LTD.

Per: _____ (c/s)

VENTURES WEST TRANSPORT INC.

Per: _____ (c/s)

DENESOLINE CORPORATION LTD.

Per:  (c/s)

TLI CHO LOGISTICS INC.

Per: _____ (c/s)

THIS UNANIMOUS SHAREHOLDER AGREEMENT made June 30, 2009,

TLI CHO LOGISTICS INC., a body corporate incorporated pursuant to the laws of the Northwest Territories (hereinafter referred to as "TCL")

OF THE FIRST PART.

- and -

VENTURES WEST TRANSPORT INC., a body corporate incorporated pursuant to the laws of Alberta (hereinafter referred to as "VWT")

OF THE SECOND PART.

- and -

1456982 ALBERTA LTD., a body corporate, incorporated pursuant to the laws of Alberta (hereinafter referred to as the "Corporation")

OF THE THIRD PART.

WHEREAS the authorized capital of the Corporation is as set out in Schedule A attached to this Agreement;

AND WHEREAS TCL and VWT (hereinafter referred to as the "Shareholders") hold the following shares in the capital of the Corporation as the registered and beneficial owners thereof:

<u>Name of Shareholder</u>	<u>No. and Class of Shares</u>
VWT	400 Class "B" Common Shares
TCL	600 Class "C" Common Shares

being all of the issued and outstanding shares of the Corporation.

AND WHEREAS the Shareholders wish to establish their rights and obligations in respect of the shares now or hereafter owned by them, the election or removal of Directors of the Corporation, the management and control of the Corporation and certain other matters as hereinafter set forth;

AND WHEREAS the Shareholders wish to provide for the orderly transfer of shares by a Shareholder upon the death of Glenn Bauer;

AND WHEREAS the Parties intend that this Agreement shall operate and be construed as a Unanimous Shareholders Agreement under the *Business Corporations Act* (Alberta).

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained, the parties covenant and agree, each with the other as follows:

ARTICLE I

1.01 DEFINITIONS

- (a) "Act" means the *Business Corporations Act*, Statutes of Alberta, R.S.A. 2000, c. B-9 as amended from time to time and every statute that may be substituted therefor, and in the case of any such amendment and substitution, any reference in this Agreement to the Act shall be read as referring to the amended or substituted provisions therefor;
- (b) "Advances" means all outstanding loans owing from time to time by the Corporation to the Shareholders;
- (c) "Articles" means the Articles of Incorporation of the Corporation filed March 10, 2009 as from time to time amended or restated;
- (d) "Auditors" means PricewaterhouseCoopers, or such independent firm of chartered accountants as may, from time to time, be chosen by the Shareholders as auditors or accounting advisors of the Corporation;
- (e) "Business Day" means any day except Saturdays, Sundays or statutory holidays in Alberta;
- (f) "By-laws" means any by-laws of the Corporation from time to time in force and effect;
- (g) "CIBC" means the Canadian Imperial Bank of Commerce or any successor entity thereto,
- (h) "Closing" means any closing of the purchase and sale of an Interest of a Shareholder as provided in this Agreement;
- (i) "Directors" means the persons who are, from time to time in accordance with the terms of this Agreement, duly elected or appointed Directors of the Corporation;
- (j) "Discounted Value" when used in relation to a Share owned by the Defaulting Shareholder means an amount equal to its fair market value on the Closing Date, determined in the manner provided for herein, less 10% of that fair market value and when used in relation to Advances owing by the Corporation to a Defaulting Shareholder (as defined herein), means an amount equivalent to such Advances, on the Closing Date (as defined herein), less 10% of the amount thereof;
- (k) "Guarantee Agreement" means an agreement by way of guarantee given or to be given, as the case may be, by one or more of the Shareholders or the Principal of a Shareholder for the repayment of any indebtedness of the

Corporation or for the performance by the Corporation of any of its other obligations:

- (l) "Interest" of a Shareholder means all the Shares owned by a Shareholder plus all Shareholder Advances;
- (m) "Management Agreement" means the agreement entered into among the Corporation, 1290225 Alberta Ltd. and Glenn Bauer regarding the management and operation of the Corporation;
- (n) "Officer" means any officer of the Corporation;
- (o) "Parties" means the parties named or referred to on the first page of this Agreement and includes any person who may hereafter execute a counterpart of this Agreement upon becoming a Shareholder;
- (p) "Principal" means any person who controls a Shareholder;
- (q) "Purchaser" means the Shareholder(s) who is/are the purchaser(s) of Shares or of an Interest pursuant to any of the provisions of this Agreement;
- (r) "Purchase Price" means, as applicable in the relevant circumstances, either the Default Purchase Price, the RFR Purchase Price, the Option Purchase Price, the Deceased Purchase Price or the Compulsory Purchase Price;
- (s) "Secretary" means the secretary of the Corporation and if there is no secretary then the President of the Corporation;
- (t) "Shareholder Advances" means, with respect to each Shareholder, all outstanding loans owing from time to time by the Corporation to such Shareholder;
- (u) "Shares" means shares of the Corporation of any class;
- (v) "Shareholder" means any person who is a holder of Share(s); and
- (w) "Vendor" means a Shareholder who is the seller of Shares or of an Interest pursuant to any of the provisions of this Agreement.

1.02 HEADINGS

Headings of the Articles and Sections hereof are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.03 CONSTRUCTION

Words importing singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and words importing persons shall include companies, corporations, partnerships, syndicates, trusts and any number or aggregate of persons.

1.04 DEFINED TERMS

Words and phrases used in this Agreement and not defined herein have the same meaning assigned to them in the Act.

ARTICLE II

IMPLEMENTATION OF AGREEMENT

2.01 EFFECT OF AGREEMENT

Each of the Shareholders shall vote or cause to be voted the Shares owned by him in such a way so as to fully implement the terms and conditions of this Agreement and shall, if any Director for any reason refuses to exercise his discretion in accordance with the terms of this Agreement, forthwith take such steps as are necessary to remove each such Director.

2.02 DEEMED CONSENT

Each of the Shareholders shall be deemed to have consented to any transfer of Shares made in accordance with this Agreement and each covenants and agrees to waive any restriction on transfer contained in the Articles or By-laws of the Corporation in order to give effect to such transfers.

2.03 CONFLICT

In the event of any conflict between the provisions of this Agreement on the one hand, and the Articles and By-laws of the Corporation on the other, the provisions of this Agreement shall govern. Each of the Shareholders agrees to vote or cause to be voted the Shares owned by him so as to cause the Articles or By-laws, or both, as the case may be, to be amended to resolve any such conflict in favor of the provisions of this Agreement.

ARTICLE III

FINANCING

3.01 GENERAL INTENTION

It is agreed that the funds required for carrying on the business of the Corporation (including, without limit, the business of any partnership of which the Corporation is a member) should be obtained, to the maximum extent possible, by permanent or interim third-party financing, or any combination thereof, which shall be arranged by the Directors when appropriate, having regard to the status of the business of the Corporation, subject always however to Article 8.01 hereof.

3.02 SHAREHOLDERS' LOANS

Subject to Article 3.01, each of the Shareholders agrees to advance to the Corporation upon demand by the Corporation such funds as may be determined by those Shareholders who are holders of not less than seventy-five (75%) per cent of all Shares then issued and outstanding and within the time limitations specified by such Shareholders: PROVIDED HOWEVER that:

- (a) funds shall be advanced by each of the Shareholders at all times in proportion to the fair market value of each such Shareholder's holdings of outstanding Shares;
- (b) each Advance shall be evidenced by a note issued by the Corporation in the principal amount thereof which note shall provide that repayment of the amount therein is subject to the terms and conditions contained in this Agreement;
- (c) no interest shall be payable by the Corporation on Advances unless all Shareholders otherwise agree, in which event the rate of interest and the terms of payment thereof shall be unanimously agreed by the Shareholders;
- (d) all repayments of Advances and, if applicable, interest thereon shall be made by the Corporation to all Shareholders pro rata in proportion to the amount which each Shareholder's Advances at such time bears to all Advances then outstanding;
- (e) the Shareholders shall not demand repayment of the whole or any portion of any Advances outstanding prior to the time(s) for repayment thereof which shall be fixed in each case by and at the time the requisite number of Shareholders referred to above determine that the Shareholders shall advance funds to the Corporation; and
- (f) all Advances may be prepaid by the Corporation in whole or in part at any time or times without notice or bonus, subject however to Article 3.02(d) above.

3.03 SUBORDINATION

Each of the Shareholders agrees at the request of the Board of Directors to subordinate all Shareholder Advances in favor of any bank or lending institution providing financing to the Corporation.

3.04 GUARANTEES

Except with the unanimous agreement of all Shareholders, no Shareholder shall be obliged to enter into any agreement of guarantee with respect to the indebtedness of the Corporation.

3.05 DISTRIBUTIONS TO SHAREHOLDERS

The Shareholders shall cause the Corporation to make distributions by way of dividend ("Dividend Distributions") out of the available net funds of the Corporation according to the following principle(s) and presumption(s) (hereafter, the "Cash Distribution Policy"):

- (a) The Cash Distribution Policy shall recognize the requirement for the Corporation to retain sufficient cash for the purpose of paying: (i) corporate income tax (including statutorily-required instalments on account thereof), (ii) professional fees (including audit fees), and (iii) principal and interest on its bank debt (collectively, "Corporation Obligations").
- (b) No Dividend Distributions will be made by the Corporation if doing so would cause the Corporation to violate any banking covenant to which it is obliged from time to time.
- (c) Dividend Distributions will be made on each May 31 and October 31 to the extent of cash available for distribution (the "Distribution Dates").
- (d) It shall be presumed for the purposes of the Cash Distribution Policy that:
 - (i) all cash on hand (as of a particular Distribution Date),
in excess of
 - (ii) that amount of cash reasonably required to be retained by the Corporation to satisfy its Corporate Obligations in a timely manner,shall be available for distribution to the Shareholders.

ARTICLE IV

DEFAULT

4.01 APPLICATION

If a Shareholder (referred to in this Article IV as a "Defaulting Shareholder") shall fail for any reason to pay any amount payable by him under a Guarantee Agreement, contribute to the Corporation the required funds pursuant to Article 3.01 above or otherwise observe, perform or carry out any of its obligations under this Agreement, then the Secretary shall give written notice of such default ("Default Notice") to the Shareholders who are not in default (referred to in this Article IV as "Eligible Shareholders") and to the Defaulting Shareholder and the following provisions of this Article IV shall take effect.

4.02 OPTION TO PURCHASE

The Eligible Shareholders, or such of them as may elect to exercise the option hereinafter referred to, shall have the option of acquiring from the Defaulting Shareholder all (but not less than all) of his Shares in the Corporation in accordance with the provisions set forth in this Article IV. This option may be exercised at any time after the expiration of thirty (30) days after the date of the Default Notice by written notice ("Exercise Notice") to the Defaulting Shareholder and to the Secretary by or on behalf of the Eligible Shareholders who choose to exercise such option, providing the Defaulting Shareholder has not, as of the date of receipt of the Exercise Notice by the Secretary, cured such default and providing further that the Eligible Shareholders electing to exercise the option shall have paid to the Corporation the amount, if any, then due and owing by the Defaulting Shareholder with respect to which default has been made.

4.03 PURCHASE PRICE

If the Eligible Shareholders or one or more of them elect to acquire from the Defaulting Shareholder his Shares as provided in Article 4.02 above, the purchase price (the "Default Purchase Price") for the Shares owned by the Defaulting Shareholder shall be the Discounted Value thereof.

4.04 CLOSING

If the Eligible Shareholders or one or more of them elect to acquire from the Defaulting Shareholder all his Shares as provided in Article 4.02 above, the transaction of purchase and sale shall be completed in the manner provided in Article XV. On the Closing, the Defaulting Shareholder shall also be obliged to transfer and assign to the Eligible Shareholders purchasing the Shares any Shareholder Advances then due and owing by the Corporation to the Defaulting Shareholder free and clear of any lien, claim, encumbrance, equity or charge whatsoever and such Eligible Shareholders shall be obliged to acquire all right, title and interest of the Defaulting Shareholder in such Shareholder Advances by paying to the Defaulting Shareholder the Discounted Value of such Advances in cash or by solicitors trust cheque.

4.05 OVER ACCEPTANCE

On the Closing, the Eligible Shareholders who have given notice of exercise of the option pursuant to Article 4.02 above shall determine whether, in what manner and to what extent each of them shall acquire the Shares of the Defaulting Shareholder. In default of agreement, each of such Eligible Shareholders shall be entitled to acquire that number of Shares of the Defaulting Shareholder which bears the same proportion to the Shares of the Defaulting Shareholder as the number of Shares held by each such Eligible Shareholder bears to the aggregate number of Shares held by all such Eligible Shareholders.

4.06 REMEDIES

The provisions of this Article IV are in addition to all other remedies which the parties or the Corporation may have against the Defaulting Shareholder.

4.07 EFFECT OF DEFAULT

Upon the completion of the events contemplated by Article 4.04 above, the Defaulting Shareholder and, if the Defaulting Shareholder has had a nominee(s) elected or appointed as an Officer and/or Director of the Corporation, the Defaulting Shareholder's nominee(s), shall all forthwith tender to the Corporation their respective resignations as Officer(s) and/or Director(s) of the Corporation without any right of compensation as a result thereof. The Defaulting Shareholder shall take such actions as may be necessary to ensure such resignations of his nominees.

ARTICLE V

DIRECTORS AND OFFICERS OF THE CORPORATION

5.01 BOARD OF DIRECTORS

The Shareholders shall vote their Shares so that the Board of Directors of the Corporation is composed of four (4) Directors, which shall include two nominees of TCL and two nominees of VWT. The TCL nominees shall initially be Kevin Armstrong and Peter Arrowmaker. The VWT nominees shall initially be Glenn Bauer and Kathy Svanda. Subject to the foregoing, if a position on the Board of Directors formerly held by a Director is open for any reason, the Shareholder whose nominee formerly occupied such position shall be entitled to nominate a new director to fill the vacancy.

5.02 QUORUM

Two (2) Directors, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that such quorum includes at least one nominee Director of TCL and one nominee Director of VWT.

5.03 VOTING

Except as otherwise required by law or by this Agreement, questions arising at any meeting of the Board of Directors shall be decided by a majority of votes.

5.04 CASTING VOTE

In the case of an equality of votes at a meeting of the Board of Directors of the Corporation, no person shall have a second or casting vote in addition to his original vote except with respect to any decision to terminate the Management Agreement, in which

case one nominee of TCL shall have a second or casting vote in addition to his original vote.

5.05 VACANCIES

Vacancies on the Board of Directors shall be filled by ordinary resolution of the Shareholders of the Corporation and in so doing the Shareholders shall act in accordance with Article 5.01 above.

5.06 TERM

Each Director of the Corporation shall hold office for a term expiring upon the close of the second annual meeting of the Shareholders following the election of each such Director.

5.07 OFFICERS

Unless the Shareholders otherwise unanimously agree, Glenn Bauer shall be the President, Michael Odell shall be the Secretary and the Treasurer.

5.08 TERM OF OFFICE

The Directors may at any time, in their discretion, by ordinary resolution, remove any Officer of the Corporation, other than those referred to in Article 5.07 above, without prejudice to such Officer's rights under any employment contract. Otherwise, each Officer appointed by the Directors shall hold office until his successor is appointed.

5.09 CONFLICT OF INTEREST

An Officer or Director of the Corporation who is a party to, or is a director or officer of or has a material interest in any person who is a party to, a material contract or proposed material contract (a "Disclosable Contract") with the Corporation, other than those Disclosable Contracts set out in Schedule C hereto, shall disclose in writing to the Corporation or request to have entered in the minutes of the Directors the nature and extent of his interest at the time and in the manner provided by the Act. Any such Disclosable Contract shall be referred to the Shareholders for approval even if such Disclosable Contract is one that in the ordinary course of the Corporation's business would not require approval by the Directors or Shareholders.

ARTICLE VI

GENERAL BORROWING POWERS

6.01 NO DELEGATION

No delegation shall be permitted by the Directors of any of the powers referred to in Section 103 of the Act, which such Directors retain subject to the limitations in this Agreement.

ARTICLE VII

SHAREHOLDERS

7.01 SPECIAL MEETINGS

The Directors may call a special meeting of Shareholders at any time and shall do so, on the request of the President, Secretary or Treasurer.

7.02 PLACE OF MEETINGS

The Shareholders do hereby consent to meetings of Shareholders of the Corporation being held outside of Alberta.

7.03 PERSONS ENTITLED TO BE PRESENT

The only persons entitled to be present at a meeting of Shareholders shall be those entitled to vote thereat along with their respective legal counsel and other professional advisors, the Directors and Auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the Articles or By-laws to be present at the meeting. Any other person may be admitted only with the unanimous consent of the meeting.

7.04 QUORUM

A quorum for the transaction of business at any meeting of Shareholders shall be the holders of at least seventy-five (75%) per cent of the Shares entitled to vote at the meeting present in person or by proxy. If a quorum is present at the opening of a meeting, the Shareholders present or represented by proxy may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of a meeting of Shareholders, the Shareholders present or represented by proxy may adjourn the meeting to a fixed time and place but may not transact any other business. If at such adjourned meeting a quorum be not present, those Shareholders who are present and entitled to vote thereat shall be deemed to be a quorum, and may transact all business which a full quorum might have done.

7.05 VOTING

At any meeting of Shareholders every question shall, unless otherwise required by the Articles or By-laws, be determined by the majority of the votes cast on the question. In the case of an equality of votes either upon a show of hands or upon a ballot, the Chairman of the meeting shall not be entitled to a second or casting vote.

7.06 COMMUNICATION FACILITIES

The Shareholders do hereby consent to a Shareholder or any other person entitled to attend a meeting of Shareholders participating in the meeting by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other.

ARTICLE VIII

CONDUCT OF THE BUSINESS OF THE CORPORATION

8.01 CONDUCT

Unless otherwise agreed by unanimous consent of the Shareholders, the Shareholders shall not cause or permit the Corporation, and the Board of Directors shall not authorize the Corporation, to undertake any of the matters set out in Schedule B to this Agreement.

8.02 CONSENTING AGREEMENT

The execution of any written agreement or Shareholders' resolution by all the Shareholders shall constitute the consenting agreement of the Shareholders contemplated in this Article VIII.

8.03 MANAGEMENT

The Corporation shall retain 1290225 Alberta Ltd. to manage the business of the Corporation pursuant to the terms of the Management Agreement. In the event of any conflict between the provisions of this Agreement on the one hand, and the Management Agreement on the other, in relation to the management of the business of the Corporation, the provisions of the Management Agreement shall govern.

ARTICLE IX

ALLOTMENT OF ADDITIONAL SHARES

9.01 ALLOTMENT OF SHARES

Subject to the restrictions set forth in this Agreement, the Shareholders shall have the sole right, from time to time, in their discretion, to authorize the issue of such number of additional Shares of the Corporation of any class at such price or prices and to such person or persons as the Shareholders in their discretion determine to be in the best interests of the Corporation.

9.02 APPLICATION

If at any time the Shareholders of the Corporation agree, in accordance with the provisions hereof, to the issue of additional Shares of any class, then the following provisions of this Article IX shall take effect.

9.03 DEFINITIONS

In this Article IX:

- (a) "Allotment Notice" means the written notice given by the Corporation to each of the Shareholders in accordance with the provisions of Article 9.04 below;
- (b) "Acceptance Notice" means the written notice given by a Shareholder to the Corporation in accordance with the provisions of Article 9.05 below;
- (c) "Unissued Shares" means the shares to be issued in accordance with the provisions of Article 9.01 above.

9.04 NOTICE OF PROPOSED ISSUE

The Corporation shall give to each Shareholder written notice of each proposed share issue setting forth the number and class of Unissued Shares which it is proposed will be issued and the price and terms and conditions upon which such Shares are being offered.

9.05 RIGHT TO SUBSCRIBE

Upon receipt of an Allotment Notice a Shareholder shall have the right, subject to the provisions of Article 9.08 below, by written notice given to the Corporation at any time within a period of thirty (30) days following receipt of such Allotment Notice, to subscribe for such quantity of Unissued Shares specified in the Allotment Notice as he may select, upon the terms and conditions set forth in the Allotment Notice.

9.06 ACCEPTANCE NOTICE

Each Acceptance Notice given by a Shareholder to the Corporation shall:

- (a) specify the number of Unissued Shares which such Shareholder agrees to subscribe for;
- (b) subject to the provisions of Article 9.08 below, constitute a binding agreement by such Shareholder to subscribe and pay for such number of Unissued Shares upon and subject to the terms and conditions set out in the Allotment Notice; and
- (c) constitute a waiver by such Shareholder of his right to subscribe at a later date for any additional Unissued Shares which may be specified in the Allotment Notice.

9.07 FAILURE TO GIVE ACCEPTANCE NOTICE

If following receipt of an Allotment Notice, a Shareholder shall fail to give to the Corporation an Acceptance Notice within the time limited by Article 9.05 above and in accordance with the foregoing provisions of this Article IX, then any and all rights which that Shareholder may have to subscribe for any of the Unissued Shares specified in such Allotment Notice shall be extinguished.

9.08 OVER SUBSCRIPTION

If the total number of Unissued Shares specified in all Acceptance Notices given to the Corporation shall exceed the number for such Shares specified in the Allotment Notice, then:

- (a) Each Shareholder whose Acceptance Notice specifies for purchase not more than such number of Unissued Shares as is proportionate to his existing percentage ownership of all issued and outstanding Shares shall be required to subscribe and pay for the number of Unissued Shares specified in his Acceptance Notice; and
- (b) Those Shareholders whose Acceptance Notices specify for purchase more than such number of Unissued Shares as is proportionate to their respective existing percentage ownership of all issued and outstanding Shares shall be required to subscribe and pay for the remaining Unissued Shares specified in the Allotment Notice in the respective proportions in which those Shareholders, as between themselves, are existing holders of Shares.

9.09 UNDER SUBSCRIPTION

If the number of Unissued Shares specified in the Allotment Notice shall exceed the total number of Unissued Shares specified in all Acceptance Notices, then the Corporation shall not issue or allot such excess.

9.10 MANNER OF ACCEPTANCE

An Acceptance Notice shall be given to the Corporation by a Shareholder by sending it through the post in a prepaid registered envelope addressed to the Corporation at its registered office in Alberta, and shall be conclusively deemed to have been given on the day following the date of posting.

9.11 MANNER OF NOTICE

An Allotment Notice shall be given by the Corporation to each Shareholder in the manner provided in this Agreement for the giving of notices to Shareholders.

ARTICLE X

RESTRICTIONS ON TRANSFER

10.01 PROHIBITIONS

No Interest of a Shareholder shall be sold, transferred, assigned, pledged, hypothecated or encumbered by a Shareholder without the unanimous consent of the Shareholders other than in accordance with the terms of this Agreement except as follows:

- (a) pledge by TCL of its Shares in the Corporation in favour of VWT pursuant to the Share Pledge Agreement; and
- (b) security interest granted by TCL in all of its present and after acquired property in favour of CIBC pursuant to a General Security Agreement.

10.02 RIGHT OF FIRST REFUSAL

Except as otherwise expressly permitted in this Agreement:

- (a) no Shareholder shall transfer any or all of its Shares unless that Shareholder (the "Offeror") first offers by notice in writing (the "RFR Offer") to each other Shareholder the prior right to purchase, receive or otherwise acquire the Shares;
- (b) the RFR Offer must set forth:

- (i) the number of Shares that the Offeror desires to sell (the "Offered Shares");
 - (ii) the price (the "RFR Purchase Price"), in lawful money of Canada, for the Offered Shares;
 - (iii) the terms and conditions of the sale;
 - (iv) that the RFR Offer is open for acceptance for a period of 14 days after receipt of such RFR Offer by the other Shareholders and request that each other Shareholder state in writing whether it is willing to purchase any of the Offered Shares and, if so, the maximum number it is willing to purchase; and
 - (v) whether or not the Offeror has received any offer to purchase the Offered Shares (the "Third Party Offer") which it is prepared to accept and, if it has, the name and address of the party making that offer and the price, terms of payment and other terms and conditions of such offer;
- (c) Upon the expiration of the 14-day notice period provided in Article 10.02(b), if the Offeror has received from the other Shareholders sufficient acceptances to purchase all of the Offered Shares, the Corporation shall thereupon apportion the Offered Shares among the other Shareholders so accepting *pro rata* in proportion to the number of shares held by each of them respectively up to the number of Offered Shares accepted by each of them respectively. If the Offeror has not received sufficient acceptances to purchase all of the Offered Shares, the Corporation shall have 14 days thereafter to purchase such portion of the Offered Shares that were not accepted by the other Shareholders on the same terms as contained in the RFR Offer;
- (d) if the Corporation does not accept the offer to purchase such portion of the Offered Shares that were not accepted by the other Shareholders the Offeror may for a period of 90 days after the expiration of the period for acceptance by the Corporation, sell, transfer or otherwise dispose of the whole of the Offered Shares to any other person, firm or corporation ("Third Party") provided that:
- (i) if the other Shareholders did not purchase any of the Offered Shares, the Offeror may not sell less than all the Offered Shares;
 - (ii) the Offeror shall sell the Offered Shares for cash at closing, free and clear of encumbrances, and on terms which are identical to those specified in the RFR Offer;
 - (iii) the Offeror shall not sell any of the Offered Shares to any person, unless at the time of the sale that person complies with Article 10.04; and
 - (iv) if the Offeror has not transferred the Offered Shares or any of them within the 90-day period, then the provisions of this Article 10.02

shall again become applicable to all of the Offered Shares not disposed of within the 90-day period.

- (e) Upon the Corporation's receipt of an acceptance to purchase all or any part of the Offered Shares and after an apportionment has been made pursuant to Article 10.02(c), if necessary, a binding contract of purchase and sale between the Offeror and the Shareholder who transmitted such acceptance shall be deemed to come into existence on the terms set out in this Agreement and the RFR Offer, which contract will be completed in the manner provided in Article XV.
- (f) After an apportionment has been made pursuant to Article 10.02(c) and upon payment of the price for the Offered Shares apportioned, the Offeror shall be bound to transfer those shares in accordance with that apportionment and if the Offeror fails to do so the Corporation shall cause the names of the purchasing Shareholders to be entered in the securities register of the Corporation as the holders of those shares and shall cancel the share certificates previously issued to the Offeror representing those shares whether they have been produced to the Corporation or not. Payment to the Corporation, as agent for the Offeror, of the purchase price for the Offered Shares shall be sufficient payment by the purchasing Shareholders and entry of the transfers in the securities register of the Corporation shall be conclusive evidence of the validity of the transfers. Upon completion of the transfers, and delivery of the share certificates duly endorsed in blank for transfer, the Corporation shall pay the purchase price to the Offeror.
- (g) The Offeror may for a period of 90 days after the expiration of the 14-day period provided for in Article 10.02(b) transfer to any person the Offered Shares not purchased by other Shareholders pursuant to Articles 10.02(b), (c), (d), (e) and (f), provided that:
 - (i) if the other Shareholders did not purchase any of the Offered Shares, the Offeror may not sell less than all the Offered Shares;
 - (ii) the Offeror shall sell the Offered Shares for cash at closing, free and clear of encumbrances, and on terms which are identical to those specified in the RFR Offer;
 - (iii) the Offeror shall not sell any of the Offered Shares to any person, unless at the time of the sale that person complies with Article 10.04; and
 - (iv) if the Offeror has not transferred the Offered Shares or any of them within the 90-day period, then the provisions of this Article 10.02 shall again become applicable to all of the Offered Shares not disposed of within the 90-day period.
- (h) The provisions as to transfers of Shares contained in Articles 10.02 (a), (b), (c) and (d) shall not apply:
 - (i) if, before the proposed transfer of Shares is made, the other Shareholders waive their rights to receive the RFR Offer; or

- (ii) to any transfer of Shares pursuant to the provisions of Articles IV, XII, XIII and XIV of this Agreement.
- (i) The Offeror may include all or any part of its Shareholder Advances in the RFR Offer, in which case the Shareholder Advances (or part thereof) shall be included in the price of the Offered Shares, and all references to Offered Shares in this Article 10.02 shall include the portion of the Shareholder Advances included therein. If the Offeror does not include its Shareholder Advances in the RFR Offer, the Offeror shall retain its Shareholder Advances, which shall be repaid as the Corporation's finances permit, as determined by the Directors.

10.03 NO TRANSFER BY DEFAULTING SHAREHOLDER

Notwithstanding any other provision of this Agreement, except as required by the terms of this Agreement, no Shareholder shall be entitled to sell, transfer, assign or otherwise dispose of its Interest, or any part thereof, without the prior written consent of the other Shareholders, if it is at that time a Defaulting Shareholder, unless prior to or concurrently with that sale, transfer or other disposition it ceases to be a Defaulting Shareholder.

10.04 FURTHER RESTRICTIONS ON TRANSFER

No Shareholder shall transfer all or any part of its Interest to any person, whether a Shareholder or not, who is not a party to or has not agreed to be bound by this Agreement until such person subscribes to or agrees to be bound by the terms of this Agreement including, for greater certainty, the obligations of the Shareholders contained in Article XIV. The Shareholders and the Corporation will not recognize or treat as a shareholder of the Corporation any person who acquires any interest or control over any Shares or afford any such person the rights afforded by this Agreement or any of the incidents connected with being a shareholder of the Corporation until such person subscribes to or agrees to be bound by this Agreement, and the Shareholders need only deal with as a shareholder of the Corporation persons who have subscribed to or agreed to be bound by this Agreement.

10.05 PIGGY-BACK RIGHTS

- (a) If, at any time, an Offeror which owns more than 25% of the issued and outstanding shares of the Corporation receives, from an arm's length third party (the "Third Party Offeror"), a bona fide Third Party Offer to purchase all or any part of the Interest held by or on behalf of the Offeror, the Offeror shall not accept such Third Party Offer unless:
 - (i) the Third Party Offeror has agreed to purchase from any other Shareholders entitled to receive an RFR Offer (the "Other Shareholders") all, or the same percentage, of the Interest held by or for the benefit of the Other Shareholders that the Third Party Offeror is offering to purchase from the Offeror, for the same per

Share and per dollar amount of Shareholder Advances price, and on the same terms and conditions as set out in the Third Party Offer:

- (ii) the Offeror has delivered to the Other Shareholders a copy of such Third Party Offer and a notice in writing (the "Piggy-Back Notice") specifying that the Offeror is prepared to accept such Third Party Offer; and
 - (iii) if the Other Shareholders elect to sell their Interest to the Third Party Offeror pursuant to Article 10.05(b)(i), the Third Party Offeror has executed such agreements or documents reasonably acceptable to the Other Shareholders to reflect the agreement referred to in Article 10.05(a)(i).
- (b) Following receipt by the Other Shareholders of a Piggy-Back Notice, each of the Other Shareholders shall have the right, exercisable within 30 days from the date of its receipt of the Piggy-Back Notice, to notify the Offeror in writing:
- (i) that the Other Shareholder is electing to sell its Interest to the Third Party Offeror at the same prices per share and per dollar amount of Shareholder Advances, and on the same terms and conditions set out in the Third Party Offer (each an "Electing Shareholder"); or
 - (ii) that the Other Shareholder is electing not to sell its Interest to the Third Party Offeror.
- (c) If any of the Other Shareholders does not notify the Offeror in writing within the period of 30 days provided in Article 10.05(b) of the election by the Other Shareholder to sell its Interest to the Third Party Offeror pursuant to Article 10.05(b)(i), the Other Shareholder shall be deemed to have elected not to sell its Interest to the Third Party Offeror.
- (d) In addition:
- (i) Provided that the Offeror has complied with Article 10.05(a), and provided that all of the Other Shareholders are Electing Shareholders, following the expiration of the 30-day period referred to in Article 10.05(b) the Offeror and any Electing Shareholder may, for 30 days thereafter, sell their Interests to the Third Party Offeror (or its nominee), at the same prices per share and per dollar amount of Shareholder Advances and on the same terms and conditions as set out in the Third Party Offer.
 - (ii) The Offeror and any Electing Shareholder shall not sell all or any part of their Interests pursuant to Article 10.05(d)(i) to any person other than the Third Party Offeror (or its nominee) or at any price or on terms different from those set out in the Third Party Offer.
 - (iii) If any of the Other Shareholders elects not to sell its Interest to the Third Party Offeror pursuant to Article 10.05(b)(ii), or pursuant to Article 10.05(c) is deemed to have elected not to sell its Interest to the Third Party Offeror, the Offeror and any Electing Shareholder

may sell to the Third Party Offeror all or any part of the Interest held by or on their behalf provided the Offeror and each Electing Shareholder first complies with Article 10.02.

ARTICLE XI

SHARES AND ADVANCES

11.01 DISPOSITION

For the purposes of this Agreement, any transfer, sale, assignment, transmission, bequest, inheritance, mortgage, encumbrance or other disposition of shares (including death) having the result (directly or indirectly and either immediately or subject to the happening of any contingency) of changing the identity of the person or persons exercising or who might exercise control of any corporate Shareholder (from the applicable party exercising control of any such corporate Shareholder as of the date of execution of this Agreement) shall be deemed to be a transfer by such corporate Shareholder of his Interest hereunder notwithstanding whether such change shall be voluntary or involuntary on the part of such corporate Shareholder.

11.02 SHARES OF THE CORPORATION

The provisions of this Agreement relating to Shares of the Corporation shall apply *mutatis mutandis* to any Shares or securities into which such Shares may be converted, changed, reclassified, redivided, redesignated, redeemed, subdivided or consolidated, to any Shares or securities that are received by the Shareholders hereto as a stock dividend or distribution payable in Shares or securities of the Corporation and to any Shares or securities of the Corporation or of any successor or continuing company or corporation to the Corporation that may be received by the Shareholders hereto on a reorganization, amalgamation, consolidation or merger, statutory or otherwise.

ARTICLE XII

TRANSFER BY OPERATION OF LAW

12.01 DISPOSITION

For the purposes of this Article XII, "Disposition" shall be deemed to mean:

- (a) where the following occurs in relation to an individual Shareholder, namely:
 - (i) he is petitioned into bankruptcy or makes an assignment for the benefit of his creditors;
 - (ii) he is judged insane or incompetent to handle his own affairs by a court of competent jurisdiction;

- (iii) an order is made by a court of competent jurisdiction purporting to deal with his Shares pursuant to the Matrimonial Property Act of Alberta, the Divorce Act of Canada or other similar legislation; or
 - (iv) his Shares are seized or attached in any way for the payment of any judgment or order; and
- (b) where the following occurs in relation to a corporate Shareholder, namely:
- (i) where any of the events listed in Article 12.01(a)(i) to (iv) occur with respect to the beneficial owner of fifty (50%) per cent or more of all the issued and outstanding voting shares in the capital of any such corporate Shareholder;
 - (ii) where any of the events listed in Article 11.01 occur;
 - (iii) proceedings are instituted for the dissolution or winding-up of any such corporate Shareholder;
 - (iv) such corporate Shareholder is petitioned into bankruptcy or makes an assignment for the benefit of its creditors;
 - (v) if a Certificate of Dissolution is issued with respect to such corporate Shareholder by the Registrar of Corporations or such corporate Shareholder is otherwise dissolved and its corporate status terminated in the Province of Alberta;
 - (vi) such corporate Shareholder's Shares are seized or attached in any way for the payment of any judgment or order.

12.02 OPTION

The purported Disposition by a Shareholder (herein referred to as the "Disposing Shareholder") of his Interest or any portion thereof shall be deemed to be a grant to the other Shareholders of an option to purchase such Interest (or portion thereof which is the subject of the purported Disposition). The option period shall be ninety (90) days and shall commence to run from the date upon which the other Shareholders receive actual notice of the purported Disposition upon which the option arises. Notice of exercise of the option shall be by written notice.

12.03 CLOSING

If any Shareholders or one or more of them elect to exercise the option referred to in this Article XII (the "Accepting Shareholders"), the transaction of purchase and sale shall be completed in the manner provided in Article XV. On the Closing, the Accepting Shareholders shall determine whether, in what manner and to what extent each of them shall acquire the Shares of the Disposing Shareholder. In default of agreement, the provisions of Article 4.05 above shall govern.

12.04 PURCHASE PRICE

The purchase price (the "Option Purchase Price") payable by the Accepting Shareholders to the Disposing Shareholders shall be as agreed upon by the parties and, failing agreement, shall be fair market value as determined in accordance with Article 16.02.

ARTICLE XIII

BUY-SELL ON DEATH

13.01 INSURANCE

The Corporation agrees with each of the Shareholders hereto that it will maintain or cause to be maintained in good standing, and with it named as beneficiary, insurance (the "Insurance") on the life of Glenn Bauer ("Bauer") in such amounts as shall reasonably be required to carry out the full intent and purpose of this Agreement and to the extent the Shareholders unanimously determine it to be advisable.

13.02 PAYMENT OF PREMIUMS

The Corporation shall pay promptly when due all premiums for the Insurance.

13.03 TERMINATION OF OBLIGATIONS

The provisions of this Article XIII shall continue in force and effect until the occurrence of any of the following events:

- (a) The bankruptcy, receivership, winding-up or dissolution of the Corporation;
- (b) The execution of an agreement to terminate the provisions of this Article by the Shareholders;
- (c) VWT ceases to be a shareholder of the Corporation; or
- (d) The completion of the various procedures and transactions which, by the terms of this Article, are to come about following the death of Bauer.

13.04 EFFECT OF TERMINATION

Upon the termination of this Article XIII any policies constituting the Insurance which will not then have been paid or be payable by reason of the death of Bauer having taken place will be transferred and assigned for their respective cash surrender values (if

any) to the Corporation. This Article 13.04 shall survive the termination of this Article XIII and shall accordingly fully obligate the parties following termination.

13.05 CAPITAL DIVIDEND ACCOUNT

The Insurance proceeds payable on the life of Bauer minus the adjusted cost basis of the policy for the Insurance shall, upon receipt thereof by the Corporation, constitute a portion of the Corporation's capital dividend account ("CDA").

13.06 USE OF INSURANCE PROCEEDS

The Corporation and Shareholders agree to use the Insurance proceeds ("Insurance Proceeds") received on the death of Bauer for no other purpose other than as required or allowed under the terms of this Agreement, as set out in this Article XIII.

13.07 REPURCHASE OF CONTROLLED SHARES

Upon the death of Bauer, the Corporation shall repurchase VWT's interest (herein called "Controlled Interest") in the Corporation for the price and subject to the other terms and conditions of this Article XIII.

13.08 PURCHASE PRICE

The purchase price (in this Article XIII called the "Deceased Purchase Price") for the Controlled Interest shall be the fair market value thereof, which by agreement between the parties shall be deemed to be the greater of:

- (a) the fair market value of the Controlled Interest computed as of the date immediately preceding the death of Bauer, in accordance with Article 16.02; and
- (b) the aggregate Insurance Proceeds.

13.09 CLOSING

The Closing of the repurchase of the Controlled Interest will be completed in the manner provided in Article XV and will take place on that date which is the later of:

- (a) 120 days following the date of the death of Bauer;
- (b) 30 days after the receipt by the Corporation of the Insurance Proceeds; and
- (c) 30 days after the final determination of the Deceased Purchase Price.

13.10 PAYMENT OF CDA AND ELECTION BY CORPORATION

Providing that VWT has sold to the Corporation the Controlled Interest in accordance with the terms of this Article XIII, the Corporation agrees, to the greatest extent possible, to elect that the deemed dividend or deemed dividends to VWT that result from the repurchase by the Corporation of the Controlled Interest are paid from the CDA resulting from the Insurance Proceeds, in accordance with the *Income Tax Act* (Canada) and within the time and otherwise in the manner called for by the Income Tax Act of Canada.

13.11 SHARE REPURCHASE

In the event that the fair market value of the Controlled Interest exceeds the Insurance Proceeds, the Controlled Interest will be repurchased in two or more separate transactions in order ensure that, to the greatest extent possible, the aggregate CDA resulting from the Insurance Proceeds is paid to VWT and that the income tax consequences to VWT of the repurchase of the Controlled Interest are minimized.

ARTICLE XIV

BUY-SELL AFTER FIVE YEARS

14.01 COMPULSORY PURCHASE

Effective on the first Business Day that is five years after the day TCL acquires its 600 Class "C" Common Shares in the Corporation, TCL agrees to purchase from VWT, and VWT agrees to sell to TCL (the "Compulsory Purchase"), all of VWT's Interest in the Corporation (the "VWT Interest") at a purchase price (the "Compulsory Purchase Price") equal to fair market value thereof.

14.02 ACCELERATION OF COMPULSORY PURCHASE

If CIBC takes any action to enforce ("CIBC Enforcement Event") its security in any property of the Corporation as the result of any default of the terms and conditions of any facility granted by CIBC to Tlicho Investment Corporation ("TIC"), the time of the Compulsory Purchase will be accelerated effective on the first Business Day occurring after such CIBC Enforcement Event. TCL will pay to VWT the after-tax amount of any costs (the "TIC Default Costs") incurred by the Corporation (as to 40% thereof) and VWT (as to 100% thereof) occurring as a result of any CIBC Enforcement Event, to the extent such costs have not been paid by 1456998 Alberta Ltd.

14.03 CLOSING

The Closing of the purchase and sale of the VWT Interest shall be completed in the manner provided in Article XV.

14.04 SECURITY

Payment of the entire amount of the Compulsory Purchase Price by TCL to VWT pursuant to Article 14.01 and the payment by TCL of the TIC Default Costs shall be secured: (i) firstly by the financial guarantee of TIC in the form attached as Schedule D hereto, and (ii) secondly by the financial guarantee of the Corporation in the form attached as Schedule E hereto which guarantee will be limited to the realizable value of (and secured by a first fixed charge in favour of VWT) those specific tanker trailers of the Corporation listed at Schedule F hereto.

ARTICLE XV

COMPLETION OF TRANSFERS

15.01 TIME AND PLACE OF CLOSING

Except as otherwise expressly provided in this Agreement, or unless the Purchaser and the Vendor otherwise agree in writing, each contract of purchase and sale arising out of Articles IV, X (other than sales under Article 10.05), XII, XIII or XIV shall be completed at a Closing to be held at 2:00 p.m., Alberta time, at the registered office of the Corporation or at such other place as the parties to such contract may agree, on the day (the "Closing Date") which is, in the case of contracts referred to in:

- (a) Articles IV, X, XII and XIV, the later of:
 - (i) 60 days following the date on which such contract is formed; and
 - (ii) 30 days following the final determination of the Purchase Price thereunder; and
- (b) Article XIII, the date determined in accordance with Article 13.09;

or, if such day is not a Business Day, on the next Business Day, or on such earlier day as the parties to such contract may agree.

15.02 PARTIES TO THE CONTRACT

In this Article XV, a contract referred to in Article 15.01 is called a "Contract", and the Shares or Interest to be sold and purchased pursuant to a Contract are called the "Transfer Interest".

15.03 PAYMENT FOR TRANSFER INTEREST

Except as otherwise expressly provided in this Agreement, or unless the Purchaser and the Vendor otherwise agree in writing, the Purchase Price for the Transfer Interest shall be paid in full on the Closing Date.

15.04 CLOSING DOCUMENTS & ESCROW BY CORPORATION

- (a) In addition to any other documents required by this Agreement or the terms of the Contract, the Vendor shall deliver to the Corporation at the Closing, duly executed where appropriate:
 - (i) an instrument of transfer, share certificates representing the shares being transferred, duly endorsed for transfer, and such other documents as may be necessary to assign and transfer the Transfer Interest to the Purchaser;
 - (ii) the resignation of the Vendor and any persons nominated by the Vendor as Directors or Officers of the Corporation from all offices and directorships in the Corporation, effective on the Closing Date;
 - (iii) if the Vendor is indebted to the Corporation, a certified cheque, bank draft or solicitor's trust cheque payable to the Corporation for the amount of such indebtedness;
 - (iv) a release of any and all claims which the Vendor may have against the Corporation; and
 - (v) all such other documents and assurances as may be required to comply with and to fulfill the intent of this Agreement and the terms of the Contract.
- (b) In addition to any other documents and things required by this Agreement or the terms of the Contract, the Purchaser shall deliver to the Vendor at the Closing, duly executed where appropriate, against delivery by the Vendor to the Purchaser of the documents referred to in Article 15.04(a):
 - (i) the Purchase Price for the Transfer Interest payable at the Closing in cash or by certified cheque, bank draft or solicitor's trust cheque;
 - (ii) a release by the Corporation of all claims which the Corporation may have against the Vendor; and
 - (iii) all such other documents and assurances as may be required to comply with and to fulfill the intent of this Agreement and the terms of the Contract.
- (c) All documents delivered by the Vendor to the Corporation at or before the Closing shall be held by the Corporation until the Purchaser has delivered all documents and paid all money required to be delivered or paid to the Vendor by the Purchaser at the Closing, at which time the Corporation shall deliver to the Purchaser the documents delivered by the Vendor pursuant to Article 15.04(a) and the transfer of the Transfer Interest to the Purchaser shall be completed by the Corporation and new certificates issued for the Shares included in the Transfer Interest.

15.05 TIME TO BE OF THE ESSENCE

Time shall be of the essence of each Contract and each Contract shall be binding upon the parties thereto and upon their respective heirs, executors, administrators, successors, legal representatives and assigns.

ARTICLE XVI

GENERAL PROVISIONS ON TRANSFER

16.01 TRANSFER OF SHARES

The transfer of the Shares or Interest of any Shareholder pursuant to any of the terms of this Agreement shall be subject to the general provisions set out in this Article XVI. In the event of any inconsistency between any of the other provisions of this Agreement and any of the provisions of this Article XVI, the provisions of this Article XVI shall govern.

16.02 DETERMINATION OF FAIR MARKET VALUE

- (a) Where pursuant to the provisions of this Agreement a determination of the fair market value of an Interest is required to be made (in this subsection 16.02 referred to as the "Subject Interest"), a Shareholder may give written notice to the other Shareholders requesting that the Shareholders forthwith meet and attempt in good faith to agree upon the fair market value of the Subject Interest. In the event that all of the Shareholders are able to reach agreement on the fair market value of the Subject Interest, such agreed value shall be deemed to be the fair market value of the Subject Interest for the purposes of this Agreement.
- (b) In the event that the Shareholders are for any reason unable to reach agreement on the fair market value of the Subject Interest within 14 days of the delivery of the notice referred to in Article 16.02(a), then the Shareholders shall forthwith meet for the purposes of identifying and retaining a valuator (the "First Valuator") for the purpose of determining the fair market value of the Subject Interest (the "Valuation"). Unless otherwise unanimously agreed by the Shareholders, the First Valuator shall be a chartered business valuator who has at least five years' experience in valuing businesses. In the event that the Shareholders do not agree upon a First Valuator within 30 days of the delivery of the notice referred to in Article 16.02(a), then any Shareholder may refer the determination of the First Valuator to arbitration pursuant to Article 17.03.
- (c) The First Valuator shall prepare and deliver to each of the Shareholders a written report (the "First Valuation Report") setting out its Valuation of the Subject Interest as soon as possible, and in any event within 45 days after being retained.

- (d) Any Shareholder may within 30 days of its receipt of the First Valuation Report provide written notice to the other Shareholders advising that it wishes to have a second Valuation of the Subject Interest undertaken. If no such notice is given, the First Valuation Report shall be final and binding on the parties. If such notice is given the Shareholders shall forthwith meet for the purposes of identifying and retaining a second valuator (the "Second Valuator") for the purpose of preparing a second Valuation of the Subject Interest. The Second Valuator shall be a chartered business valuator who has at least five years' experience in valuing businesses. In the event that the Shareholders do not agree upon a Second Valuator within 14 days of the delivery of the notice referred to in this paragraph, then any Shareholder may refer the determination of the Second Valuator to arbitration pursuant to Article 17.03.
- (c) The Second Valuator shall prepare and deliver to each of the Shareholders a written report (the "Second Valuation Report") setting out its Valuation of the Subject Interest as soon as possible, and in any event within 45 days after being retained. Where a Second Valuation Report has been prepared, the fair market value of the Subject Interest shall be equal to the average of the fair market values of the Subject Interest as set out in the First Valuation Report and the Second Valuation Report.
- (f) The Corporation and each of the Shareholders shall make available to the First Valuator and the Second Valuator all books, records and other data and information in their possession or control as the First Valuator or Second Valuator may reasonably require for the purposes of its valuation.
- (g) In determining the fair market value of the Subject Interest under this Article 16.02, the First Valuator and the Second Valuator may apply such principles of valuation as each considers appropriate in the circumstances provided that:
 - (i) the proceeds of any life insurance shall not be taken into account in determining the value of the Subject Interest;
 - (ii) the fair market value of any Shareholder Advances shall not be discounted by reason only of the fact that such Advances are not demand loans and may not bear interest;
 - (iii) the Corporation shall be valued on a going-concern basis; and
 - (iv) to the extent that there has occurred a CIBC Enforcement Event, the Corporation shall be valued as if CIBC has not taken any action to enforce its security in any property of the Corporation such that the fair market value of the Subject Interest shall be determined on the basis that the Corporation and any partnership of which the Corporation is a member shall have at their disposal (directly and indirectly) all of that property of the Corporation owned by the Corporation prior to such occurrence of a CIBC Enforcement Event.
- (h) The Corporation shall pay all fees and expenses charged by the First Valuator for preparing the First Valuation Report. The Shareholder(s) who

request the Second Valuation shall pay all fees and expenses charged by the Second Valuator for preparing the Second Valuation Report.

- (i) The First Valuator and the Second Valuator shall be entitled to retain such qualified independent appraisers as each may deem appropriate to assist with its valuation.

16.03 MULTIPLE PURCHASERS

If the Purchaser includes two or more Shareholders, the purchasing Shareholders shall purchase the Interest of the Vendor pro rata in accordance with the purchasing Shareholders' respective shareholdings in the Corporation, excluding the Shares of the Vendor, and each purchasing Shareholder shall be liable only for payment of the portion of the Purchase Price payable in respect of the Interest to be purchased by it.

16.04 SET-OFF IF VENDOR INDEBTED TO CORPORATION

Notwithstanding anything in this Agreement to the contrary, if on the date of a Closing the Vendor is, according to the books of the Corporation and as certified by the Auditors of the Corporation, indebted to the Corporation, the Purchaser has the right, in the case of a liquidated claim, to pay and discharge the indebtedness of the Vendor out of the purchase money payable by it to the Vendor, or in the case of an unliquidated claim, to deposit in an interest-bearing trust account in a Canadian chartered bank or trust company in escrow an amount estimated by the Purchaser to be equal to the unliquidated claim, and, in either case, to reduce the amount of the Purchase Price payable to the Vendor by the amount so paid or deposited. Any amount deposited in escrow as aforesaid shall remain deposited until the claim has either been settled or adjudicated, at which time it shall be withdrawn and paid out pursuant to the settlement or adjudication.

16.05 PAYMENT OF LIENS ON SHARES

Notwithstanding anything in this Agreement to the contrary, if by reason of any lien, charge or encumbrance on the Interest of the Vendor, the Vendor is unable to make delivery of the Vendor's Interest free and clear of all charges, liens or encumbrances to the Purchaser within the time limited therefor, the Purchaser shall be at liberty to make payment to the holder of the lien or charge or the governmental authority imposing the duty, tax, levy or lien, which payment shall be deemed to be payment to the Vendor and shall be applied in reduction of the unpaid balance of the Purchase Price and interest accrued thereon.

16.06 CORPORATION PURCHASING INTEREST

Whenever in this Agreement there is a reference to the Corporation purchasing an Interest or part of an Interest, then if the Interest includes any Shareholder Advances, upon Closing such Shareholder Advances, or the part thereof being "purchased" by the Corporation, as the case may be, shall be deemed to have been repaid.

ARTICLE XVII

GENERAL

17.01 DURATION OF AGREEMENT

This Agreement shall continue in full force and effect until terminated by agreement amongst the Shareholders except with respect to the provisions of Article XIII hereof which shall terminate in accordance with the provisions contained therein.

17.02 ENDORSEMENT ON SHARE CERTIFICATES

Any and all certificates representing Shares now or hereafter owned by the Shareholders during the currency of this Agreement (whether such Shares are issued initially or with respect to transfer or otherwise) shall have endorsed thereon in bold type the following legend:

“THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE PROVISIONS OF A UNANIMOUS SHAREHOLDERS AGREEMENT MADE JUNE 30, 2009, AND SUCH SHARES ARE NOT TRANSFERABLE ON THE BOOKS OF THE CORPORATION EXCEPT IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF SUCH AGREEMENT.”

17.03 ARBITRATION

In the event that any disagreement arises between the parties hereto with reference to this Agreement or any matter arising hereunder and upon which the parties cannot agree, then any such dispute shall be referred to arbitration in accordance with the provisions of the *Arbitration Act* (Alberta) or other similar legislation in force in the Province of Alberta from time to time.

17.04 APPOINTMENT OF AGENT

The Secretary is hereby appointed as agent for the parties hereto to effect any transfer of shares of the Corporation in accordance with the terms hereof.

17.05 MUTUAL INDEMNIFICATION

Each of the Shareholders severally agree to indemnify each of the other Shareholders against and reimburse each of such other Shareholders for any and all liabilities which such other Shareholder may incur or become subject to and amounts which such other party may pay or be required to pay which are in excess of such Shareholder's proportionate share of the liabilities and obligations of the Shareholders under the terms of this Agreement; provided that nothing contained in this Article 17.05

shall in any way be deemed to or shall require any Shareholder to incur any liability or provide any funds other than as may be expressly provided for herein.

17.06 TIME

Time shall be of the essence of this Agreement.

17.07 NON-WAIVER

No provision of this Agreement shall be deemed to be waived unless such waiver is in writing. Any waiver of any default committed by any of the parties hereto in the observance of the performance of any part of this Agreement shall not extend to or be taken in any manner to affect any other default.

17.08 NOTICES

Any notice or other communication required or permitted to be given by any party hereto to any other party shall be in writing and shall be delivered personally or by prepaid registered mail addressed to the party to which it is to be given as follows:

- (a) If to the Corporation: at its registered office as disclosed from time to time on the records of the Registrar of Corporations for Alberta.
- (b) If to a Shareholder: at the address of such Shareholder last appearing on the records of the Corporation.

Every notice shall be deemed to have been duly given, if delivered, at the date of delivery thereof and if sent by mail, at the expiration of two (2) business days after a prepaid envelope containing the same has been placed in the registered mail and in the event of interruption of postal service, at the expiration of two (2) business days following the resumption of such service.

17.09 ENUREMENT

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns and respective heirs, successors, administrators and assigns and shall be governed in all respect by the laws of the Province of Alberta.

17.10 EXECUTION

This Agreement may be executed in any number of counterparts by any one or more of the parties. Each executed counterpart shall be deemed to be an original and such counterparts shall together constitute one and the same Agreement.

IN WITNESS WHEREOF the parties have properly executed this Agreement effective as of June 30, 2009.

TLI CHO LOGISTICS INC.

Per:  _____
Authorized Signatory

VENTURES WEST TRANSPORT INC.

Per:  _____
Authorized Signatory

1456982 ALBERTA LTD.

Per:  _____
Authorized Signatory

SCHEDULE A

Authorized Capital of the Corporation

The authorized capital of the Corporation is divided into:

- (a) an unlimited number of Class "A" Common Shares without nominal or par value;
- (b) an unlimited number of Class "B" Common Shares without nominal or par value;
- (c) an unlimited number of Class "C" Common Shares without nominal or par value;
- (d) an unlimited number of Class "D" Common Shares without nominal or par value;
- (e) an unlimited number of Class "E" non-cumulative redeemable Preferred Shares without nominal or par value;
- (f) an unlimited number of Class "F" non-cumulative redeemable Preferred Shares without nominal or par value;
- (g) an unlimited number of Class "G" non-cumulative redeemable Preferred Shares without nominal or par value;
- (h) an unlimited number of Class "H" non-cumulative redeemable Preferred Shares without nominal or par value; and
- (i) an unlimited number of Class "I" non-cumulative redeemable Preferred Shares without nominal or par value.

SCHEDULE B

Matters Requiring Unanimous Consent of the Shareholders

Pursuant to Article 8.01 of the Agreement, the following matters shall require the unanimous consent of the Shareholders:

- (a) the approval of, or any amendment to, the annual capital expenditure budget of the Corporation;
- (b) except for any expenditures contemplated by an approved capital expenditure budget, any single capital expenditure of the Corporation in excess of \$100,000 per year, or any series of related capital expenditures which exceed, in the aggregate, the sum of \$100,000 per year;
- (c) the acquisition (by purchase, lease or otherwise) by the Corporation of any asset having a value in excess of \$100,000;
- (d) the entering into, execution, acknowledgement, amendment, supplement, cancellation or termination of any Material Contract on behalf of the Corporation and, for this purpose, "Material Contract" means any of the following:
 - (i) any contract, agreement or other instrument to be entered into by the Corporation with any Shareholder or an affiliate of a Shareholder;
 - (ii) any contract, agreement or other instrument to be entered into by the Corporation which may in the aggregate over the term of the contract, agreement or instrument involve an obligation of the Corporation to pay in excess of \$100,000; and
 - (iii) any other contract, agreement or other instrument to be entered into by the Corporation which is material to the business, condition (financial or otherwise), operations or performance of the Corporation;
- (e) any change in the authorized signing officers of the Corporation in respect of legal documents or transactions with any bank or other financial institution;
- (f) any material change in the salary, fringe benefits or other compensation whatsoever to be paid to the Directors, Officers or senior management of the Corporation;
- (g) the adoption or amendment of any bonus, incentive, deferred compensation, stock option, profit sharing, pension or similar plan for any or all of the employees of the Corporation;
- (h) the declaration or payment of, or agreement to declare or pay, any dividend, salary, bonus, fees or other amount by the Corporation to any Shareholder or affiliate of a Shareholder;
 - (i) any material change or amendment to the Management Agreement;
 - (j) any borrowing by the Corporation;
 - (k) the guarantee by the Corporation of the debts of any other person;

- (l) any loans by the Corporation to any other person;
- (m) the sale, lease, transfer, mortgage, pledge or other disposition of all or substantially all of the undertaking of the Corporation;
- (n) any amendment to the Articles, By-laws or other constituting documents of the Corporation;
- (o) the consolidation, merger or amalgamation of the Corporation with any other company, association, partnership or other legal entity;
- (p) the creation, allotment or issuance of, or agreement to create, allot or issue, any shares or other securities of the Corporation, or the granting of any option or right capable of becoming an option to purchase any shares or other securities of the Corporation;
- (q) the winding-up or liquidation of the Corporation, the institution of proceedings to be adjudicated a bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada), the consenting to the institution of such proceedings against the Corporation, the consenting to the institution of bankruptcy or insolvency proceedings against the Corporation under the *Bankruptcy and Insolvency Act* (Canada) or any other analogous laws, the consenting to the filing of any such petition or to the appointment of a receiver or receiver-manager of the property of the Corporation, the making of a general assignment for the benefit of creditors, the filing of a proposal to settle payments of creditors' liabilities under the *Companies' Creditors Arrangement Act*, the admission in writing of the insolvency of the Corporation, or the taking of any corporate action in furtherance of any of the aforesaid purposes; and
- (r) the redemption, repurchase or retirement for value of any shares or other securities of the Corporation, except under the provisions of this Agreement.

SCHEDULE C

Disclosable Contracts with the Corporation

Pursuant to Article 5.09 of the Agreement, the following is a list of the Disclosable Contracts that have been disclosed in writing to the Corporation:

- (a) Management Agreement;
- (b) Premises Lease between 938966 Alberta Ltd. and the Corporation for the lands and building at 182 Sturgeon Way, Sturgeon County, Alberta dated June 30, 2009;
- (c) Equipment Lease between 1290225 Alberta Ltd. and Ventures West Limited Partnership ("VWLP") dated June 30, 2009;
- (d) Equipment Lease between 1290222 Alberta Ltd. and VWLP dated June 30, 2009;
- (e) Equipment Lease between Fluid Motion Leasing Ltd. and VWLP dated June 30, 2009;
- (f) Equipment Lease between NBX Leasing Ltd. and VWLP dated June 30, 2009; and
- (g) Equipment Lease between TCL and VWLP dated June 30, 2009.

SCHEDULE D

Form of Guarantee from TIC

GUARANTEE

THIS GUARANTEE dated the 30th day of June, 2009.

WHEREAS Ventures West Transport Inc. ("VWT"), Tli Cho Logistics Inc. ("TCL") and 1456982 Alberta Ltd. (the "Corporation") have entered into a Unanimous Shareholder Agreement, dated June 30, 2009 (the "Agreement") to establish their rights and obligations in respect of the Corporation. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Agreement.

AND WHEREAS VWT requires as a precondition and in consideration of its acceptance of the Agreement that the obligations of TCL pursuant to Article XIV of the Agreement (the "Compulsory Buyout") are unconditionally guaranteed by Tli Cho Investment Corporation (the "Guarantor") to the extent and in the manner hereinafter specified.

NOW THEREFORE for good and valuable consideration (the receipt of which is hereby acknowledged), the Guarantor hereby unconditionally guarantees to VWT the due and proper performance by TCL of its obligations under the Compulsory Buyout as follows:

1. TCL will duly perform all its obligations (which expression includes the performance and observance of all covenants, provisos, conditions, and agreements on the part of TCL to be performed or observed) under the Compulsory Buyout (including payment of the Compulsory Purchase Price);
2. If any default shall be made by TCL in the performance of any of its obligations under the Compulsory Buyout, the Guarantor shall on the written demand of VWT forthwith perform or cause to be performed such obligations;
3. The Guarantor shall and hereby agrees to indemnify VWT with respect to all loss to and damage that may be suffered by VWT in consequence of any default made by TCL in the performance of the Compulsory Buyout;
4. If any default shall be made by TCL in the performance of the Compulsory Buyout, VWT shall not be bound or required to proceed against TCL or any other obligated person, or to pursue any other remedy whatsoever which may be available to it, before proceeding against the Guarantor, but shall be entitled to the benefit of this Guarantee as soon as such default occurs;
5. The obligations of the Guarantor under this Guarantee shall be in no way released, discharged or reduced, and the rights of VWT under this Guarantee shall be in no way prejudiced or impaired by any neglect, delay or forbearance of VWT in demanding, requiring or enforcing performance by TCL or any other obligated person of any of the obligations of TCL under the Compulsory Buyout, or by the Guarantor of any of his obligations under this Guarantee, or by granting any extensions of time for performance, or by waiving any performance (except as to the particular performance which has been waived), or by the bankruptcy or insolvency of TCL;

6. The obligations of the Guarantor under this Guarantee will extend to the term of the Agreement and to any renewal or extension of the Agreement, whether by agreement of VWT or otherwise until such time as the Compulsory Purchase Price has been fully paid by TCL to VWT:
7. The Guarantor shall make payment to VWT the amount of the liability of the Guarantor hereunder forthwith after demand therefor is made in writing and such demand shall be conclusively deemed to have been effectually made when an envelope containing the last address of the Guarantor known to VWT is deposited, posted prepaid and registered, in the post office:
8. There are no representations, collateral agreements or conditions with respect to this Guarantee or affecting the Guarantor's liability hereunder other than as contained herein:
9. This Guarantee shall be construed in accordance with the laws of Alberta, and the Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this Guarantee may be instituted in the Courts of such Province and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the said Courts and acknowledges their competence and agrees to be bound by any judgment thereof, provided that nothing herein shall limit VWT's right to bring proceedings against the Guarantor elsewhere and all costs and expenses including costs on a solicitor and his own client basis shall be paid by the Guarantor for the recovery of any funds owing pursuant to this Guarantee; and
10. This Guarantee shall extend to and enure to the benefit of the successors and assigns of VWT, and shall be binding upon the Guarantor and the heirs, executors, administrators, and successors of the Guarantor. If any provision of this Guarantee is determined to be illegal or unenforceable, all other provisions shall remain effective.

IN WITNESS WHEREOF the Guarantor has executed this Guarantee effective as of the date and year first above written.

TLICHO INVESTMENT CORPORATION

Per: _____
Authorized Signatory

SCHEDULE E

Form of Guarantee from Corporation

GUARANTEE

THIS GUARANTEE dated the 30th day of June, 2009.

WHEREAS Ventures West Transport Inc. ("VWT"), Thi Cho Logistics Inc. ("TCL") and 1456982 Alberta Ltd. (the "Corporation") have entered into a Unanimous Shareholder Agreement, dated June 30, 2009 (the "Agreement") to establish their rights and obligations in respect of the Corporation. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Agreement.

AND WHEREAS VWT requires as a precondition and in consideration of its acceptance of the Agreement that the obligations of TCL pursuant to Article XIV of the Agreement (the "Compulsory Buyout") are guaranteed by the Corporation (the "Guarantor") to the limited extent and in the manner hereinafter specified.

NOW THEREFORE for good and valuable consideration (the receipt of which is hereby acknowledged), the Guarantor hereby guarantees to VWT the due and proper performance by TCL of its obligations under the Compulsory Buyout, which guarantee will be limited to the realizable value of (and secured by a first fixed charge in favour of VWT) those specific tanker trailers of the Corporation listed at Schedule F to the Agreement, as follows:

1. TCL will duly perform all its obligations (which expression includes the performance and observance of all covenants, provisos, conditions, and agreements on the part of TCL to be performed or observed) under the Compulsory Buyout (including payment of the Compulsory Purchase Price);
2. If any default shall be made by TCL in the performance of any of its obligations under the Compulsory Buyout, the Guarantor shall on the written demand of VWT forthwith perform or cause to be performed such obligations;
3. The Guarantor shall and hereby agrees to indemnify VWT with respect to all loss to and damage that may be suffered by VWT in consequence of any default made by TCL in the performance of the Compulsory Buyout;
4. If any default shall be made by TCL in the performance of the Compulsory Buyout, VWT shall not be bound or required to proceed against TCL or any other obligated person, or to pursue any other remedy whatsoever which may be available to it, before proceeding against the Guarantor, but shall be entitled to the benefit of this Guarantee as soon as such default occurs;
5. The obligations of the Guarantor under this Guarantee shall be in no way released, discharged or reduced, and the rights of VWT under this Guarantee shall be in no way prejudiced or impaired by any neglect, delay or forbearance of VWT in demanding, requiring or enforcing performance by TCL or any other obligated person of any of the obligations of TCL under the Compulsory Buyout, or by the Guarantor of any of his obligations under this Guarantee, or by granting any extensions of time for performance, or by waiving any performance (except as to

the particular performance which has been waived), or by the bankruptcy or insolvency of TCL;

6. The obligations of the Guarantor under this Guarantee will extend to the term of the Agreement and to any renewal or extension of the Agreement, whether by agreement of VWT or otherwise until such time as the Compulsory Purchase Price has been fully paid by TCL to VWT;
7. The Guarantor shall make payment to VWT the amount of the liability of the Guarantor hereunder forthwith after demand therefor is made in writing and such demand shall be conclusively deemed to have been effectually made when an envelope containing the last address of the Guarantor known to VWT is deposited, posted prepaid and registered, in the post office;
8. There are no representations, collateral agreements or conditions with respect to this Guarantee or affecting the Guarantor's liability hereunder other than as contained herein;
9. This Guarantee shall be construed in accordance with the laws of Alberta, and the Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this Guarantee may be instituted in the Courts of such Province and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the said Courts and acknowledges their competence and agrees to be bound by any judgment thereof, provided that nothing herein shall limit VWT's right to bring proceedings against the Guarantor elsewhere and all costs and expenses including costs on a solicitor and his own client basis shall be paid by the Guarantor for the recovery of any funds owing pursuant to this Guarantee; and
10. This Guarantee shall extend to and enure to the benefit of the successors and assigns of VWT, and shall be binding upon the Guarantor and the heirs, executors, administrators, and successors of the Guarantor. If any provision of this Guarantee is determined to be illegal or unenforceable, all other provisions shall remain effective.

IN WITNESS WHEREOF the Guarantor has executed this Guarantee effective as of the date and year first above written.

1456982 ALBERTA LTD.

Per: _____
Authorized Signatory

SCHEDULE F

The following is a list of the specific tanker trailers of the Corporation in which a first fixed charge has been granted in favour of VWT as security for the financial guarantee of the Corporation described in Article 14.04(ii) of the Agreement:

Unit	Appraised value
3001	144,900.00
3002	144,900.00
3003	144,900.00
3004	144,900.00
3005	152,538.00
3006	152,538.00
3007	160,566.00
6000	134,890.00
6001	134,890.00
6003	134,890.00
6007	134,890.00
6008	134,890.00
6009	134,890.00
6010	157,400.00
6011	157,400.00
6012	157,400.00
6013	157,400.00
6014	157,400.00
6015	157,400.00
6021	174,330.00
6022	174,330.00
6023	174,330.00
7006	128,720.00
7007	132,887.00
7008	132,887.00
7009	132,887.00
7010	139,882.00
	<u>3,989,235.00</u>