

**THIS IS EXHIBIT "H" REFERRED TO IN THE
AFFIDAVIT OF STEVEN CHAMBERS
SWORN BEFORE ME
ON THIS 16th DAY OF DECEMBER, 2012.**



A COMMISSIONER FOR TAKING AFFIDAVITS

August 27 2010

Tercon Equipment Ltd.
Tercon Investments Ltd.
#101 - 2079 Falcon Road
Kamloops, BC
V2C 4J2

Dear Sir/Madam,

Tercon Investments Ltd. ("Tercon Investments") has completed a reorganization and recapitalization of its corporate structure pursuant to which 0833824 B.C. Ltd. ("HoldCo"), a holding company the shares of which are held by Pala Holdco (Luxembourg) III S.à r.L. and 2147881 Ontario Inc., has made certain debt and equity investments in Tercon Investments. As part of the transactions, pursuant to an Assignment of Debt and Security (the "Assignment") dated the date hereof between HoldCo, Tercon Equipment Ltd., a wholly owned subsidiary of Tercon Investments ("Tercon Equipment") and Finning International Inc. ("Finning"), HoldCo has purchased and assumed, and Finning has assigned, certain indebtedness owing by Tercon Equipment to Finning, including all security granted to Finning in relation thereto. This agreement (the "Agreement") shall set forth our mutual understanding regarding the purchase and assumption by HoldCo of the Finning debt and the relative rights and obligations of HoldCo as lender, Tercon Equipment, as borrower, and Tercon Investments, as the ultimate parent company of Tercon Equipment, with respect thereto.

DEFINED TERMS

1. In this Agreement:

- (a) "Business Day" means a day other than a Saturday, Sunday or any other day on which the principal commercial banks located in Toronto, Ontario are not open for business during normal banking hours;
- (b) "Class A Shares" means the shares without nominal or par value of Tercon Investments designated as Class A shares in its articles of incorporation dated September 29, 2005, as such shares exist at the commencement of business on this date; provided that in the event of a subdivision, redivision, reduction, combination, consolidation or reclassification, then, subject to adjustments, if any, having been made in accordance with the provisions of Section 6, "Class A Shares" shall

mean the shares resulting from the subdivision, redivision, reduction, combination, consolidation or reclassification, as the case may be;

- (c) **"Corporate Reorganization"** means any transaction whereby all or substantially all of a corporation's undertaking, property and assets would become the property of any other Person whether by way of arrangement, reorganization, consolidation, amalgamation, merger, continuance under any other jurisdiction of incorporation or otherwise; and
- (d) **"Person"** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted.

CONFIRMATION OF INDEBTEDNESS AND SECURITY

2. Confirmation of Indebtedness and Security

- (a) Notwithstanding anything contained in any other agreement, including any agreement between Tercon Equipment and Finning relating to the Finning debt, Tercon Equipment hereby acknowledges and confirms that it is indebted to HoldCo in the aggregate principal amount of \$3,160,779 plus interest accruing on the principal amount from time to time in accordance with section 2(c) (the **"Aggregate Indebtedness"**).
- (b) Notwithstanding the Assignment, this letter or any other document between Finning or any of the parties hereto, subject to Section 2(c) herein, Tercon Equipment confirms and agrees that all documents and security in respect of the Finning debt are hereby ratified and confirmed and remain in full force and effect and continue to constitute valid, binding and enforceable covenants, agreements, obligations and liabilities of Tercon Equipment.
- (c) Tercon Equipment hereby agrees to pay interest on the principal amount outstanding and on all other amounts now or hereafter owing hereunder (including accrued and unpaid interest) at the rate of 8% per annum calculated annually and payable in cash monthly (in arrears), on the last day of each month beginning September 30, 2010. Upon default and thereafter, Tercon Equipment agrees that interest shall be calculated on the principal amount outstanding and all other amounts now and hereafter payable hereunder (including accrued and unpaid interest) at the rate of 18% per annum as a reasonable pre-estimate of damages and not as a penalty.

ASSIGNMENT OF INDEBTEDNESS

3. Notice of Assignment

- (a) At any time after the date hereof, HoldCo shall be able to request (in accordance with Section 3(b) below) that Tercon Equipment transfer or assign to Tercon Investments, and Tercon Investments assume from Tercon Equipment, all or a portion of the Aggregate Indebtedness by sending to Tercon Equipment at its principal address a notice in accordance with the provisions of this Agreement exercising such right.
- (b) Immediately upon receipt of the notice of assignment referred to in Section 3(a), and in any event no later than the fifth (5th) day following receipt of such notice, Tercon Equipment shall transfer or assign to Tercon Investments and Tercon Investments shall assume from Tercon Equipment in a manner that is acceptable to all the parties hereto, the Aggregate Indebtedness such that Tercon Investments shall become the borrower under the Finning debt.

CONVERSION OF INDEBTEDNESS

4. Conversion of Indebtedness into Class A Shares

- (a) Upon and subject to the provisions and conditions of this Agreement, HoldCo shall have the right, at its option, at any time after the date hereof and after the assignment and assumption of the Finning debt to and by Tercon Investments as set forth in Section 3(a), up to and including August 27, 2013, to convert the whole or any part of \$2,163,103 of the Aggregate Indebtedness (the “**Convertible Amount**”) into 12,255 fully paid and non-assessable Class A Shares for every \$1,000 of the Convertible Amount outstanding.
- (b) HoldCo’s right of conversion pursuant to this Agreement shall extend only to the maximum number of whole Class A Shares into which the Convertible Amount surrendered for conversion at any one time by HoldCo may be converted in accordance with the provisions of Section 4. Fractional interests in Class A Shares shall be adjusted for in the manner provided below.
- (c) In the case of any reclassification of the Class A Shares at any time outstanding (other than any subdivision or consolidation of Class A Shares into a greater or lesser number of Class A Shares) or change of the Class A Shares into other shares, or in case of a Corporate Reorganization of Tercon Investments (other than a Corporate Reorganization which does not result in a reclassification of the outstanding Class A Shares or a change of the Class A Shares into other shares), HoldCo shall be entitled to receive upon conversion,

and shall accept, in lieu of the number of Class A Shares to which it was previously entitled upon such conversion, the kind and amount of shares and other securities or property which HoldCo would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date, it had been the registered holder of the number of Class A Shares to which it was previously entitled upon conversion. If necessary, appropriate adjustments shall be made in the application of the provisions set forth in this Agreement with respect to the rights and interests thereafter of HoldCo so that the provisions set forth in this Agreement shall thereafter correspondingly be made applicable as nearly as may be possible in relation to any shares or other securities or property thereafter deliverable upon the conversion of the Convertible Amount. Any such adjustments shall be made by and set forth in a supplemental Agreement approved by the board of directors of Tercon Investments and HoldCo and shall for all purposes be conclusively deemed to be an appropriate adjustment.

5. Accrued Interest, etc.

At the time of the conversion, HoldCo shall be entitled to receive accrued and unpaid interest on the principal amount outstanding up to but excluding the date of its conversion and such interest shall be included in the amount of the Aggregate Indebtedness subject to conversion. Class A Shares issued upon such conversion shall rank only in respect of dividends declared in favour of shareholders of record on and after the date of conversion or such later date as HoldCo becomes the holder of record of Class A Shares pursuant to this Agreement. As of and from the applicable date, the Class A Shares so issued shall, for all purposes, be and be deemed to be issued and outstanding as fully paid and non-assessable Class A Shares.

6. Adjustment of Conversion Price

- (a) The conversion price in effect at any date shall be subject to adjustment from time to time as in this Section 6 provided.
- (b) If and whenever Tercon Investments shall (i) subdivide or redivide the outstanding Class A Shares into a greater number of shares, (ii) reduce, combine or consolidate the outstanding Class A Shares into a smaller number of shares, or (iii) issue any Class A Shares to the holders of all or substantially all of the outstanding Class A Shares by way of a stock dividend (other than any stock dividends constituting dividends paid in the ordinary course) the number of Class A Shares which may be acquired pursuant to Section 4 on the date of the subdivision, redivision, reduction, combination or consolidation or on the record date for the issue of Class A Shares by way of a stock dividend, as the case may be, shall be increased, in the case of the events referred to in (i) and (iii) above, in the proportion which the

number of Class A Shares outstanding before the subdivision, redivision or dividend bears to the number of Class A Shares outstanding after the subdivision, redivision or dividend, or shall be decreased, in the case of the events referred to in (ii) above, in the proportion which the number of Class A Shares outstanding before the reduction, combination, or consolidation bears to the number of Class A Shares outstanding after the reduction, combination or consolidation. Any issue of Class A Shares by way of a stock dividend shall be deemed to have been made on the record date fixed for the stock dividend for the purpose of calculating the number of outstanding Class A Shares under this Section 6(b).

- (c) In the case of any reclassification of, or other change in, the outstanding Class A Shares other than a subdivision, redivision, reduction, combination or consolidation, the number of Class A Shares which may be acquired pursuant to Section 4 shall be adjusted in such manner as the board of directors of Tercon Investments, with the approval of HoldCo, determine to be appropriate on a basis consistent with this Section 6.
- (d) If any question arises with respect to the adjustments provided in this Section 6, such question shall be conclusively determined by a firm of chartered accountants (who may be Tercon Investments' auditors) appointed by Tercon Investments and acceptable to HoldCo. Such chartered accountants shall be given access to all necessary records of Tercon Investments and their determination shall be binding upon Tercon Investments and HoldCo.

7. No Requirement to Issue Fractional Shares

Tercon Investments shall not be required to issue fractional Class A Shares upon the conversion. If any fractional interest in a Class A Share would, except for the provisions of this Section 7, be deliverable upon the conversion of the Convertible Amount, Tercon Investments shall, in lieu of delivering any certificate of fractional interest, satisfy the fractional interest by paying to HoldCo an amount of lawful money of Canada equal (computed to the nearest whole cent, and one-half of a cent being rounded up) to the principal amount of the Convertible Amount remaining outstanding after so much of the principal amount as may be converted into a whole number of Class A Shares has been so converted.

8. Certificate as to Adjustment

Tercon Investments shall, from time to time immediately after the occurrence of any event which requires an adjustment or re-adjustment as provided in Section 6, deliver a certificate to HoldCo specifying the nature of the event requiring the same and the amount of the necessary adjustment and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate and the amount of the adjustment specified therein shall be verified by an

opinion of a firm of chartered accountants (who may be Tercon Investments' auditors) appointed by Tercon Investments and acceptable to HoldCo and, when approved by Tercon Investments, shall be conclusive and binding on all parties in interest.

9. Notice of Special Matters

Tercon Investments shall give notice to HoldCo, in the manner provided in Section 13, of its intention to fix a record date for any event mentioned in Section 6 which may give rise to an adjustment in the number of Class A Shares which may be acquired pursuant to Section 4, and, in each case, the notice shall specify the particulars of the event and the record date and the effective date for the event; provided that Tercon Investments shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days prior to the applicable record date.

10. Tercon Investments to Reserve Shares

Tercon Investments shall at all times reserve and keep available out of its authorized Class A Shares and solely for the purpose of conversion as in this Agreement provided, and conditionally allot to HoldCo, such number of Class A Shares as shall then be issuable upon the conversion. Tercon Investments covenants with HoldCo that all Class A Shares which shall be so issuable shall be duly and validly issued as fully-paid and non-assessable.

MISCELLANEOUS

11. From time to time after the date hereof, each party hereto shall, at the request of any other party, execute and deliver such additional agreements, assignments, transfers, assumptions and other assurances as may be reasonably required to effectively carry out the intent of this letter including any amendment and restatement of the Finning debt and all documents and security in connection therewith.

12. Time is of the essence in this Agreement.

13. Any notice, direction or other communication (each a "Notice") given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or facsimile (but not by electronic mail) and addressed:

to HoldCo at:

(a) 0833824 B.C. Ltd.

c/o Pala Investments AG
Damstrasse 19
6300 Zug, Switzerland

Attention: General Council
Facsimile: +41 41 560 9071

with a copy (that does not constitute notice) to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Attention: D'Arcy Nordick
Facsimile: (416) 947-0866

(b) to Tercon Equipment and Tercon Investments at:

#101 - 2079 Falcon Road
Kamloops, BC V2C 4J2

Attention: Milan Soucek
Facsimile: (250) 372-1555

A Notice is deemed to be delivered and received (i) if sent by personal delivery, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (ii) if sent by same-day service courier, on the date of delivery if sent on a Business Day and delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (iii) if sent by overnight courier, on the next Business Day, or (iv) if sent by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile. A party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the party at its changed address. Any element of a party's address that is not specifically changed in a Notice will be assumed not to be changed.

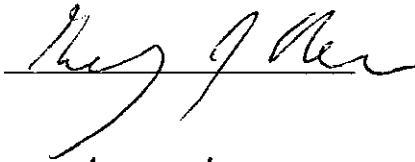
14. This Agreement becomes effective when executed by all of the parties. After that time, it will be binding upon and enure to the benefit of the parties and their respective successors and permitted assigns.
15. This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

[Remainder of page left intentionally blank.]

16. This Agreement may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together will be deemed to constitute one and the same instrument. The party sending the facsimile transmission will also deliver the original signed counterpart to the other party, however, failure to deliver the original signed counterpart shall not invalidate this Agreement.

Yours truly,

0833824 B.C. LTD

By: 

ACCEPTED AND AGREED as of this 27 day of August, 2010.

TERCON INVESTMENTS LTD.

By: _____
Authorized Signing Officer

TERCON EQUIPMENT LTD.

By: _____
Authorized Signing Officer

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0833824 B.C. LTD

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TERCON INVESTMENTS LTD.

By: _____

Authorized Signing Officer

TERCON EQUIPMENT LTD.

By: _____

Authorized Signing Officer