CHARLES R. ALLARD PROFESSIONAL CORPORATION
210, 5324 Calgary Trail
Edmonton, Alberta
T6H 4J8
Phone (780) 430-2811 Fax (780) 430-2815

DEC 12 2005
RECEIVED

December 6, 2005

RECORDATION NO. 25822-A FILED
DEC 12 '05 4-25 PM
SURFACE TRANSPORTATION BOARD

Surface Transportation Board
Office of Proceedings
1025 K Street NW
Washington, DC 20423 -001

RE: Financing Statement for Ferroequus Railway Company Ltd.

Dear Filing Officer,

Enclosed please find the original and one copy of a Financing Statement dated November 30, 2005 with respect to providing notice that Charles R. Allard, the Secured Party, has an additional security interest in the locomotive and ancillary equipment more fully described in Exhibit A attached as collateral for a loan to Ferroequus Railway Company Ltd. ("Debtor")made between the Debtor and Great Canadian RailTour Company Ltd. dated January 22, 2001 in the principal amount of $275,000 Canadian which security interest ("Debenture") is attached hereto and marked as Exhibit B (Security Agreement) and which Security Agreement was assigned to Charles R. Allard, the Secured Party by virtue of an assignment dated October 27, 2005 hereto appended and marked as Exhibit "C" and incorporated by reference herein.

The previous security interest filed by Charles R. Allard, the Security Party, dated May 15, 2005 was recorded at the Surface Transportation Board by Financing Statement dated May 15, 2005 ("May Financing Statement") pursuant to the provisions of 49.U.S.C. 11301 and 49 CFR 1177 on September 7, 2005 at 4:05 p.m. assigned recordation #25822.

The May Financing Statement acknowledged the underlying security interest to Great Canadian RailTour Company Ltd. which has now been assigned to Charles R. Allard.

We would appreciate your filing the original Financing Statement and returning one copy stamped "Filed" in the enclosed self-addressed envelope. Also enclosed, please find our cheque in the sum of $33.00 U.S. representing the filing fee.

If you have any questions or if anything further is required, please do not hesitate to contact our offices. We thank you in advance for your assistance in this matter.

Yours truly,

CHARLES R. ALLARD PROFESSIONAL CORPORATION
PER:

CHARLES R. ALLARD
CRA/jcw

RECORDATION NO. 25822-A FILED

DEC 12 '05 4-25 PM

SURFACE TRANSPORTATION BOARD

FINANCING STATEMENT

This Financing Statement is presented to the Recordation Office of the Surface Transportation Board pursuant to 49 U.S.C. S11301 and 49CFR 1177.

1. Debtor:

FERROEQUUS RAILWAY COMPANY LTD.
Debtor / Business Name

2900, 10180 – 101 Street
Mailing Address

Edmonton	Alberta	Canada	T5J 3V5
City	State/Province	Country	Zip/Postal Code

Type of Debtor: Railway Corporation

2. Secured Party

Charles R. Allard
Secured/Business Name

210, 5324 Calgary Trail,
Mailing Address

Edmonton,	Alberta	Canada	T6H 4J8
City	State/Province	Country	Zip/Postal Code

Type of Secured Party: Businessman

4. This Financing Statement covers the following types (or items) of property:

The steam locomotive and ancillary equipment which is more fully identified on Exhibit A which is attached hereto and incorporated by reference herein.

5. Number of additional sheets attached: (including Copy of Indenture and Debenture)

6. The purpose of this Financing Statement is to provide notice that Charles R. Allard has an additional security interest in the locomotive and ancillary equipment more fully described in Exhibit A attached as collateral for a loan to the Ferroequus Railway Company Ltd. made between the Debtor and Grant Canadian RailTour Company Ltd. dated January 22, 2001 in the principal amount of $275,000 Canadian which security interest ("Debenture") is attached hereto and marked as Exhibit B

(Security Agreement) and which Security Agreement was assigned to Charles R. Allard, the Secured Party by virtue of an assignment dated October 27, 2005 hereto appended and marked as Exhibit "C" and incorporated by reference herein through the event of default as the term is defined in Exhibit B.

8. This Financing Statement is filed with: The Surface Transportation Board.

Signature of Secured Party

November 3rd 2005

Date Signed

Personally appeared before me, the undersigned Notary Public in and for the Province of Alberta aforesaid, Charles R. Allard of Edmonton, Alberta who acknowledged before me that he signed and delivered the above foregoing Financing Statement on the day and year and for the purposes therein mentioned for and on behalf of himself..

Given under my hand and official seal on this 5th day of December, 2005.

A Notary Public in and for the Province
Of Alberta
My Commission Expires at Her
Majesty's Pleasure

MELVIN TUSSMAN, LAWYER
NOTARY PUBLIC IN AND FOR THE
PROVINCE OF ALBERTA. MY
APPOINTMENT DOES NOT EXPIRE AS
LONG AS I AM AN ACTIVE MEMBER
OF THE LAW SOCIETY OF ALBERTA.

SCHEDULE "A"

EQUIPMENT

1. One (1) ex-CN Vanderbuilt steam locomotive tender, X-1827;

2. One (1) Reading 2100 Class, Model T-1, 4-8-4 Steam Locomotive #2100, tender and spare parts, and boiler number 58330, now bearing reporting mark "TPHX, unit number 2100,4-8-4; and

3. One (1) used, Budd Company built railroad passenger combination coach-baggage car, ex-C&O 1402, formerly known as AMTK 16324, now bearing mark "TPHX", car number 19480.

Subject to the following security interest:

Great Canadian Railtour Company Ltd. – registered under number 01021310089in the Alberta Personal Property Registry and number 20010213 1449 1201 0235 in the Ontario Personal Property Registry.

EXHIBIT "B"

SUBORDINATED, SECURED, CONVERTIBLE DEBENTURE

FERROEQUUS RAILWAY COMPANY LIMITED

$275,000
Principal Amount of Convertible
Debenture Due August 31, 2002

Made as of January 22, 2001

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SUBORDINATED, SECURED, CONVERTIBLE DEBENTURE

THIS DEBENTURE is made as of January 22, 2001 by:

FERROEQUUS RAILWAY COMPANY LIMITED, a corporation incorporated under the laws of Canada (the "***Corporation***")

In favour of **GREAT CANADIAN RAILTOUR COMPANY LTD.,** a corporation incorporated under the laws of British Columbia (the "**Holder**")

WHEREAS the Corporation is a private corporation, the common shares of which are not traded on the facilities of any stock exchange;

AND WHEREAS the Corporation desires to provide for the issuance of the Debenture to the Holder;

AND WHEREAS all necessary resolutions of the directors and shareholders of the Corporation have been duly enacted, passed and/or confirmed and other proceedings taken and conditions complied with to make the creation and issuance of this Debenture legal, valid and binding on the Corporation in accordance with the laws relating to the Corporation;

AND WHEREAS this Debenture shall constitute a general and continuing security for the full payment and performance of the obligations of the Corporation to the Holder, including the repayment of Indebtedness of the Corporation to the Holder as set out herein;

NOW THEREFORE for value received, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as set forth below.

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Debenture, the following expressions shall have the meanings indicated:

"**Business Day**" means a day on which chartered banks are generally open for the transaction of commercial business in Edmonton, Alberta, but does not in any event include a Saturday or Sunday or a civic or statutory holiday in Edmonton, Alberta;

"**Collateral**" means the property of the Corporation made subject to the fixed or floating charges contained herein;

"**Common Shares**" means the common voting shares in the capital of the Corporation, as such shares exist at the close of business on the date of execution and delivery of this Debenture;

"**Conversion Price**" shall have the meaning ascribed thereto in section 4.1;

"**Date of Conversion**" has the meaning ascribed thereto in section 4.2(b);

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"Event of Default" means any of the events specified in section 6.1 in respect of which the requirements therein stipulated have been satisfied, including without limitation, the requirement to give notice or the lapse of time;

"GAAP" means generally accepted accounting principles applied on a consistent basis in Canada from time to time approved by the Canadian Institute of Chartered Accountants or its successor body;

"Holder" means Great Canadian Railtour Company Ltd.;

"Indebtedness" means all indebtedness, liabilities and obligations of the Corporation to the Holder, including, without limitation, a loan in the sum of $275,000.00 to be advanced by the Holder to the Corporation and interest and costs as set out herein;

"Maturity Date" means August 31, 2002;

"person" means an individual, corporation, company, partnership, association, trust or other entity;

"Receiver" means any receiver, manager, or receiver and manager of the business and undertaking of the Corporation, whether appointed by the Holder pursuant to the terms of this Debenture or by a court pursuant to applicable law; and

"Working Opportunity Fund Financing" means financing provided by Working Opportunity Fund to the Corporation from time to time.

1.2 Plurality and Gender

Words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders.

1.3 Headings

The division of this Debenture into Articles, sections, subsections and Schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture. Unless otherwise indicated, any reference in this Debenture to an Article, section, subsection or Schedule refers to the specified Article, section, subsection or Schedule of or to this Debenture.

1.4 Governing Law and Jurisdiction

This Debenture shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall be treated in all respects as a contract made in the Province of Alberta. The parties irrevocably submit to the jurisdiction of the courts of the Province of Alberta for all matters arising out of or in connection with this Debenture or any of the transactions contemplated hereby.

1.5 Day Not a Business Day

In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day without payment of additional consideration.

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1.6 Currency

All references to currency herein shall be to lawful money of Canada.

1.7 Time of the Essence

Time shall, in all respects, be of the essence in each and every one of the terms, covenants, obligations and conditions in this Debenture.

1.8 Inclusiveness

Where words denoting inclusiveness are used herein, they shall not be limited by context or by the words which precede or succeed them. All references herein to the words **"herein"**, **"hereby"**, **"hereof"**, and words of similar import refer to this Debenture as a whole and not to any particular Article, section, subsection or Schedule, unless otherwise stated or the context otherwise requires. References to the **"parties"** herein shall mean the parties to this Debenture, unless otherwise stated or the context otherwise requires.

1.9 Schedule

The following Schedule to this Debenture is attached to and incorporated herein and are made a part hereof:

Schedule A:	The Collateral Property
Schedule B:	Certificate of Fitness

ARTICLE 2
PAYMENT

2.1 Promise to Pay

For value received, the Corporation promises to pay to or to the order of the Holder at 1st Floor, 1150 Station Street, Vancouver, British Columbia, V8A 2X7, the principal sum of $275,000 in lawful money of Canada, with interest thereon as herein provided, at the times and subject to the terms and conditions set out in this Debenture.

2.2 Subordination

This Debenture and the Holder's interest herein shall be subordinated to the Working Opportunity Fund Financing, but only to the extent that any unexpended proceeds of any investment by the Working Opportunity Fund in preferred shares of the Corporation shall not be used to repay the Holder.

2.3 Conversion

The Corporation shall pay the Principal Sum to the Holder on the Maturity Date and shall bear no interest from the date of issue to the Maturity Date.

2.4 Interest

In the event that this Debenture is not converted into Common Shares on or before the Maturity Date, interest on the principal amount outstanding from time to time shall be payable from and

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after the Maturity Date, at a rate of 4% per annum, both before and after default and judgment, until August 31, 2005, at which time all Indebtedness of the Corporation shall be due and payable in full. Interest shall accrue and shall be due and payable annually after the Maturity Date on the anniversary of the Maturity Date until the Indebtedness has been fully repaid. Any amount of interest not paid when due (including overdue and unpaid interest) shall bear interest at the aforesaid rate, be calculated monthly and compounded on the last Business Day of each calendar month and shall be paid without the necessity of any demand being made.

2.5 Place of Payment

The principal amount of and all interest (if any) under the Debenture and any amounts owing under this Debenture shall be payable in lawful money of Canada at the Holder's address as set forth herein.

ARTICLE 3
SECURITY

3.1 Charge

As continuing collateral security for the payment of the Indebtedness and the due observance and performance of all of the covenants and obligations of the Corporation contained herein, the Corporation hereby mortgages, charges and grants a security interest to and in favour of the Holder as and by way of a fixed and specific mortgage and charge all of its estate and interest in the personal property described in Schedule "A" attached hereto and forming part hereof and charges of and by way of a floating charge (subject to exceptions as to leasehold hereinafter contained) to and in favour of the Holder all of its undertaking and all of its estate and interest in any real or personal property, present and future, not described in Schedule "A".

3.2 Exception as to Leaseholds

Notwithstanding the foregoing, this Debenture shall not encumber the last day of the term of any lease, verbal or written, or any agreement therefore now held or hereafter acquired by the Corporation as tenant or any renewal of such lease, but the Corporation shall stand possessed of the renewal remaining in the Corporation of any leasehold premises for the time being demised as aforesaid upon trust to assign or dispose thereof as the Holder may direct.

3.3 Continuous Charge

The lien and charge hereby created shall take effect forthwith on the execution hereof and shall be a continuous charge for the full amount of the Indebtedness notwithstanding the balance owing hereunder may be fluctuating and may from time to time and at any time be reduced to a nil balance and outstanding monies advanced may be repaid and further advances made to or to the order of the Corporation or in respect of which the Corporation is liable; but the Corporation shall never be obliged to pay hereunder more the ultimate balance owed by it to the Holder.

ARTICLE 4
CONVERSION OF THE DEBENTURES

4.1 Conversion Privilege and Conversion Price

Subject to the provisions of this Article 4, the Holder shall have the right, at its option, at any time on or prior to the Maturity Date to convert the whole or part of the principal amount of this

Debenture into fully paid and non-assessable Common Shares at a conversion price of $3.00 principal amount of Debenture (the "Conversion Price") per Common Share.

4.2 Manner of Exercise of Right to Convert

(a) When the Holder desires to convert this Debenture, in whole or in part, into Common Shares it shall surrender the Debenture to the Corporation at its office in Edmonton, Alberta, duly executed by the Holder or its authorized legal representative or attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Corporation exercising its right to convert the Debenture in accordance with the provisions of this Article 4. Thereupon, the Holder, and/or, subject to payment of all applicable stamp or security transfer taxes or other governmental charges and compliance with all reasonable requirements of the Corporation, his nominee(s) or assignee(s) shall be entitled to be entered in the books of the Corporation as at the Date of Conversion (or such later date as is specified in this section 4.2) as the holder of the number of Common Shares into which the Debenture is convertible in accordance with the provisions of this Article 4 and, as soon as practicable thereafter, the Corporation shall deliver to the Holder and/or, subject as aforesaid, his nominee(s) or assignee(s) a certificate or certificates for the Common Shares;

(b) For the purposes of this Article 4, the Debenture shall be deemed to be surrendered for conversion on the date (the "Date of Conversion") on which it is so surrendered in accordance with the provisions of this Article 4 and, in the case of a Debenture so surrendered by post or other means of transmission, on the date on which it is received by the Corporation at its head office provided that if the Debenture is surrendered for conversion on a day on which the register of Common Shares is closed, the person or persons entitled to receive Common Shares shall become the holder or holders of such Common Shares as at the next date on which the register for common shares is opened; and

(c) Any part of the Debenture may be converted as provided in this Article 4 and all references in this Debenture to conversion of a Debenture shall be deemed to include conversion of such parts. The holder of any Debenture of which part only is converted shall, upon the exercise of its right of conversion surrender the said Debenture to the Corporation, and the Corporation shall cancel the same and shall without charge forthwith certify and deliver to the holder a new Debenture in an aggregate principal amount equal to the unconverted part of the principal amount of the Debenture so surrendered.

4.3 Adjustment of Conversion Price

The Conversion Price in effect at any date shall be subject to adjustment from time to time as set forth below.

(a) If and whenever at any time, the Corporation shall:

(i) subdivide or redivide the outstanding Common Shares into a greater number of Common Shares,

(ii) reduce, combine, or consolidate the outstanding Common Shares into a smaller number of Common Shares, or

(iii) issue any shares of the Corporation to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend (other than the issue of shares to holders of Common Shares pursuant to their exercise of options to receive dividends in the form of shares in lieu of dividends paid in the ordinary course on the Common Shares),

the Conversion Price in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issues of shares by way of a stock dividend, as the case may be, shall, in the case of the events referred to in sections 4.3(a)(i) and 4.3(a)(iii) above, be decreased in proportion to the number of outstanding Common Shares or shares, as the case may be, resulting from such subdivision, redivision or dividend, or shall, in the case of the events referred to in paragraph (ii) above, be increased in proportion to the number of outstanding shares under sections 4.3(b) and (c).

(b) If and whenever at any time the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them to subscribe for, acquire, or purchase Common Shares or securities convertible into Common Shares, the Conversion Price shall be adjusted immediately after such record date as determined by the board of directors, which determination shall be conclusive; such adjustment shall be made successively whenever such a record date is fixed; to the extent that any such rights, options, or warrants are not so issued or any such rights, options, or warrants are not exercised prior to the expiration thereof, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect based upon the number of Common Shares (or securities convertible into Common Shares) actually issued upon the exercise of such rights, options, or warrants, as the case may be.

(c) If and whenever at any time the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of:

(i) shares of any class other than Common Shares and other than shares distributed to holders of Common Shares pursuant to their exercise of options to receive dividends in the form of such shares in lieu of dividends paid in the ordinary course of the Common Shares; or

(ii) rights, options, or warrants (excluding those referred to in section 4.3(b); or

(iii) evidences of its indebtedness; or

(iv) assets (excluding dividends paid in the ordinary course),

then, in each such case, the Conversion Price shall be adjusted immediately after such record date as determined by the board of directors, which determination shall be conclusive; any Common Shares owned by or held for the account of the Corporation shall be readjusted to the Conversion Price which would then be in effect based upon such shares or right, options, or warrants or evidences of indebtedness or assets actually distributed, as the case may be. In this section 4.3(c), the term "dividends paid in the ordinary course" shall include the value of any securities or other property or assets distributed in lieu of cash dividend paid in the ordinary course at the option of shareholders of the Corporation.

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(d) No adjustments of the Conversion Price shall be made pursuant to section 4.3(a)(iii) or pursuant to sections 4.3(b) and 4.3(c) if the Holder is permitted to participate in such stock dividend or in the issue of such options, rights, or warrants or in such distribution, as the case may be, as though and to the same effect as if he had converted his Debenture into Common Shares prior to the applicable record date or effective date for such stock dividend or the issue of such options, rights, or warrants or such distribution, as the case may be.

(e) In the case of any reclassification of, or other change in, the outstanding Common Shares of the Corporation other than a subdivision, redivision, reduction, combination or consolidation, the Conversion Price shall be adjusted in such manner, if any, and at such time as the Directors, in their sole discretion, may determine to be equitable in the circumstances. Failure of the Directors to provide for an adjustment on or prior to the effective date of any such reclassification of, or change in, the outstanding Common Shares of the Corporation shall be conclusive evidence that the Directors have determined that it is equitable to make no adjustment in the circumstances.

(f) In any case in which this section 4.3 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the holder of the Debenture converted after such record date and before the occurrence of such event the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event before giving effect to such adjustment provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the Date of Conversion or such later date as such holder would, but for the provisions of this section 4.3(f) have become the holder of record of such additional Common Shares pursuant to section 4.2.

(g) The adjustments provided for in this section 4.3 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distribution, issues or other events resulting in any adjustment under the provisions of this section 4.3 provided that, notwithstanding any other provision of this section 4.4, no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least one percent in the Conversion Price then in effect provided, however, that any adjustments which by reason of this section 4.3(g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

In the event of any question arising with respect to the adjustments provided in this section 4.3, such questions shall be conclusively determined by a firm of chartered accountants appointed by the Corporation (who may be the auditors of the Corporation), such accountants shall have access to all necessary records of the Corporation and such determination shall be binding upon the Corporation and the Holder.

4.4 No Requirement to Issue Fractional Shares

The Corporation shall not be required to issue fractional Common Shares upon the conversion of this Debenture pursuant to this Article 4. If any fractional interest in a Common Share would, except for the provisions of this section 4.4, be deliverable upon the conversion of any principal amount of the Debenture, the Corporation shall, in lieu of delivering any certificate of such

fractional interest, satisfy such fractional interest by paying to the holder of such surrendered Debenture an amount equal (computed to the nearest cent) to the appropriate fraction of the value (being a value determined by the Directors) of a Common Share on the business day next preceding the Date of Conversion.

4.5 Corporation to Reserve Shares

The Corporation covenants with the Holder that it will at all times reserve and keep available out of the authorized and unissued Common Shares, sufficient unissued Common Shares solely for the purpose of issue upon conversion of the Debentures, and conditionally allot such unissued Common Shares to the Holder who may exercise their conversion of the Debentures. The Corporation covenants with the Holder that all Common Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable.

4.6 Taxes and Charges on Conversion

The Holder will pay any and all taxes and charges which may be imposed by the laws of Canada or any province thereof (except income tax or security transfer tax, if any) which shall be payable with respect to the issuance and/or delivery to the holders of the Debentures, upon the exercise of their right of conversion, of the Common Shares pursuant to the terms of the Debentures and of this Debenture.

4.7 Cancellation and Destruction of Converted Debenture

Where this Debenture is converted in whole or in part under the provisions of this Article 4, it shall be immediately delivered to and cancelled and destroyed by the Corporation and, subject to the provisions of section 4.2(c), no Debenture shall be issued in substitution thereof.

ARTICLE 5
REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Representations and Warranties

The Corporation represents and warrants to the Holder that, on the date hereof:

(a) the Corporation holds a valid and subsisting Certificate of Fitness (a copy of which is attached as Schedule B under the Transportation Act (Canada) (the "Certificate of Fitness") and the extent of the railway activities undertaken by the Corporation are consistent with the authority granted in the said Certificate of Fitness;

(b) the Corporation is duly incorporated and organized and is validly subsisting under the laws of Canada, is validly registered and in good standing in all other jurisdictions where the nature of activities conducted by it make registration advisable or necessary, and has the corporate power and authority to operate its business and own its properties and assets;

(c) the registered office and head office of the Corporation is currently located in Alberta;

(d) the Corporation has all requisite power, authority and capacity to execute and deliver this Debenture and to perform its obligations hereunder;

(e) the execution and delivery of this Debenture and the performance of the terms of this Debenture do not violate the provisions of the articles or by-laws of the Corporation, any

resolution of the Corporation's board of directors (or any committee thereof) or shareholders, any law, order, rule or regulation applicable to the Corporation, or any agreement, indenture or other document to which the Corporation is a party, and have been duly and validly authorized by the Corporation;

(f) the Corporation is not in material default under the provisions of any agreement, indenture or other document evidencing, guaranteeing or relating to any outstanding indebtedness or liability and the execution, delivery and performance of the terms of this Debenture and the Debenture will not constitute a breach of any agreement to which the Corporation is bound or affected;

(g) there are no actions, suits or proceedings pending or threatened against the Corporation before any court or governmental or regulatory department, commission, board or agency which, if determined adversely, would have a material adverse effect on the financial condition of the Corporation; and

(h) this Debenture is and, when executed by the Corporation, will be, valid, binding and legally enforceable against the Corporation in accordance with its terms, except to the extent that the enforcement thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and that specific performance and other equitable remedies are subject to the discretion of the courts to which such remedy is sought;

5.2 Survival of Representations and Warranties

All representations and warranties of the Corporation made in this Debenture for the benefit of the Holder shall survive the issuance of the Debenture and shall continue in full force and effect without time limit. The Holder shall be deemed to have relied upon each such representations and warranties notwithstanding any investigation made by or on behalf of the Holder at any time.

5.3 Reporting Covenants

So long as any Indebtedness is outstanding, the Corporation shall provide Holder with annual audited financial statements of the Corporation within 120 days of each fiscal year end of the Corporation and quarterly unaudited financial statements.

5.4 Positive Covenants

The Corporation covenants and agrees with the Holder that, so long as any Indebtedness is outstanding hereunder, the Corporation shall:

(a) at all times maintain the Corporation's corporate existence in good standing in all provinces where it is required to do so to carry on business;

(b) carry on and conduct or cause to be carried on and conducted the Corporation's business in a lawful, proper and efficient manner and maintain its Property in good repair and condition and free of encumbrances;

(c) keep or cause to be kept proper books of account and records and make or cause to be made therein true and faithful entries of all dealings and transactions in relation to its business;

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(d) promptly notify the Holder of the occurrence of any condition or event which constitutes an Event of Default or which, after the giving of notice or the passing of time, or both, would constitute an Event of Default;

(e) pay or cause to be paid all taxes, rates, government fees and dues levied, assessed or imposed upon the Corporation and upon its property or assets or any part thereof, as and when the same become due and payable, save and except when and so long as the validity of any such taxes, rates, fees, dues, levies or assessments is in good faith contested by the Corporation, and duly observe and conform to all valid requirements of any governmental authority or agency relating to the Corporation's assets or, business where the failure to do so would have a material adverse effect on the value of the Collateral;

(f) keep the Collateral insured against all insurable hazards, with a company or companies approved by the Holder in the sum of the full insurable value thereof and maintain public liability insurance in a company or companies approved by the Holder and in an amount satisfactory to the Holder naming loss under all such policies of insurance payable to the Holder and include a mortgage clause acceptable to the Holder;

(g) pay all premiums for policies of insurance required pursuant to the terms of this Debenture as the same become due and payable and deliver evidence of such payment to the Holder on demand;

(h) if the insurance referred to herein is not effected or not duly renewed, the Holder may effect or renew such insurance and if default is made in payment of premiums or sums of money required for such insurance, the Holder may pay the same and the sum so expended shall become part of the Indebtedness and bear interest from the date of payment at the rate provided in this Debenture and shall be repayable on demand;

(i) notify the Holder in the event of a loss or damage to any of the assets of the Corporation and to furnish proofs of loss at the Corporation's expense and do all other necessary acts to enable the Holder to obtain payment of the insurance monies;

(j) in the event of a loss and receipt of insurance proceeds by the Holder, the Holder may at its option, apply the insurance proceeds in permanent reduction of the Indebtedness or release said proceeds to repair, replace or rebuild the property of the Corporation or partly one and partly the other or others and nothing done under this paragraph shall operate as payment or novation or in anyway affect the security hereof or any other security held by the Holder from the Corporation;

(k) maintain the Certificate of Fitness in good standing and shall not undertake activities which are not authorized by the Certificate;

(l) observe and perform all provisions of the Transportation Act (Canada) so that it is at all times able to operate lawfully as a railway under the provisions thereof and in accordance with its Certificate of Fitness; and

(m) diligently attempt to sell the personal property described in Schedule A and, notwithstanding any other provision of this Debenture, shall apply the proceeds of any such sale to redeem this Debenture at the earliest opportunity. The Holder agrees to discharge its security on such property as is sold in compliance with this Section 5.4(m).

ARTICLE 6
DEFAULT AND REMEDIES

6.1 Acceleration on Maturity

Upon the happening of any one or more of the following events, namely:

(a) if the Corporation fails to observe or perform or cause to be performed or observed any covenant, term or condition contained herein and any such failure is not remedied to the satisfaction of the Holder within 30 days following notice thereof by the Holder to the Corporation;

(b) if the Corporation fails to observe or perform or cause to be performed or observed any covenant, term or condition contained in any material agreement to which it is a party including, without limitation, other debentures, agreements with banks and other financial institutions, and the Certificate of Fitness;

(c) if the Corporation is adjudicated a bankrupt or insolvent or institutes or commences proceedings to be adjudicated a bankrupt or insolvent or files a voluntary petition in bankruptcy or liquidation or makes a proposal or reorganization under bankruptcy legislation or applies for or consents to its winding-up or dissolution or files, institutes or commences any proceeding relating to reorganization, adjustment, compromise, stay of proceedings or relief similar to any of the foregoing under applicable law regarding bankruptcy, insolvency, reorganization or relief of debtors (including, without limitation, the *Companies' Creditors Arrangement Act* (Canada) and the *Bankruptcy and Insolvency Act* (Canada)) or if any corporate action is taken by the Corporation for the purpose of approving any of the foregoing;

(d) if any receiver, trustee, liquidator or similar officer of the Corporation or of all or any substantial part of its properties and assets is appointed;

(e) if an order, judgment or decree (which has not been reversed on appeal or stayed pending the outcome of appeal) is entered or a law or regulation is enacted for the liquidation, winding-up or dissolution of a Corporation;

then the Holder may, in its discretion, by notice in writing to the Corporation, declare the Indebtedness to be due and payable and the same shall become immediately due and payable to the Holder and the Corporation shall immediately pay to the Holder such Indebtedness (if any), together with interest on such Indebtedness at the rate set out herein from the date of the said notice until payment is received by the Holder. Such payment when made shall be deemed to have been made in discharge of the Corporation's obligations under this Debenture. In default of payment, the Holder shall be entitled, in addition to any other rights it may have and without any requirement of notice to the Corporation, to do any one or more of the following things:

(i) declare that the security created by this Debenture will immediately become specifically charged against all of the Collateral; and

(ii) seize or otherwise take possession of the Collateral and sell the same by public or private sale at such price and upon such terms as the Holder in its sole discretion determines. The proceeds of such sale less all costs and expenses of the Holder, including legal costs as between a solicitor and own client on a full indemnity basis, will be applied on the Indebtedness and any surplus will be disposed of according to law. If the monies realized from such sale are not

sufficient to pay the full amount of the Indebtedness, the Holder will be entitled to exercise such remedies against the Corporation to collect the balance owing as it may be entitled to at law.

ARTICLE 7
SATISFACTION AND DISCHARGE

7.1 Cancellation and Destruction

The Holder shall concurrently with receiving Common Shares upon a conversion or, if it does not elect to convert, upon payment of the Indebtedness deliver to the Corporation this Debenture for cancellation and shall discharge all registrations in respect thereof.

7.2 Presentation of Debenture

The Holder may, at its option, elect to present its Debenture for conversion or for payment at any time as provided herein.

ARTICLE 8
MISCELLANEOUS

8.1 Notice to the Corporation

Any notice to the Corporation under the provisions of this Debenture shall be given in writing and shall be delivered by personal delivery, by registered mail, or by transmittal by telecopier addressed as follows:

c/o Fraser Milner Casgrain
1040 West Georgia Street
15th Floor
Vancouver British Columbia V6E 4H8

Attention: Dwight I. Bliss (Edmonton Office)
Telecopier: (780) 423-7276

Any notice shall, if mailed, be deemed to have been effectively given 4 Business Days after posting, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day and, if not, the next succeeding Business Day) and if sent by telecopy transmission be deemed to have been given and received at the time of receipt unless actually received after 4:00 p.m. at the point of delivery or on a day that is not a Business Day in which case it shall be deemed to have been given and received on the next Business Day. The Corporation may from time to time notify the Holder in writing of a change of address or telecopier number. If the party giving the notice knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any notice shall not be mailed but shall be given by personal delivery or by telecopier.

8.2 Notice to Holder

(a) All notices to be given to a Holder under the provisions of this Debenture shall be given in writing and shall be delivered by personal delivery, by registered mail, or by transmittal by telecopier at his post office address or telecopier number appearing in the Register. Any notice shall, if mailed, be deemed to have been effectively given 4

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Business Days after posting, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day and, if not, the next succeeding Business Day) and if sent by telecopy transmission be deemed to have been given and received at the time of receipt unless actually received after 4:00 p.m. at the point of delivery or on a day that is not a Business Day in which case it shall be deemed to have been given and received on the next Business Day. The Holder may from time to time notify the Corporation in writing of a change of address or telecopier number.

(b) If the party giving the notice knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any notice shall not be mailed but shall be given by personal delivery or by telecopier.

8.3 Amendment and Waiver

No amendment, variation or waiver of any provision of this Debenture shall be binding on any party unless consented to in writing by such party subsequent to the date hereof and executed by, or by duly authorized representatives of, the party making such waiver. No failure on the part of any party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any further exercise thereof or the exercise of any other right or remedy in law, or by statute, equity or otherwise. No waiver of any provision of this Debenture shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver unless otherwise provided herein.

8.4 Formal Date

For the purpose of convenience, this Debenture may be referred to as bearing formal date of January 22, 2001 irrespective of the actual date of execution hereof.

8.5 Time of Essence

Time shall be of the essence of this Debenture.

THIS AGREEMENT has been executed and delivered by the Corporation to be effective on the date hereof.

FERROEQUUS RAILWAY COMPANY LIMITED

By: Thomas Rose, President

By: _____

218553_2

I hereby certify that a copy of this document was deposited in the Office of the Registrar General of Canada on the 8th day of November 2005 at 13:26 a.m./p.m.

Deputy Registrar General of Canada

SCHEDULE A

The Collateral Property

1. One (1) ex-CN Vanderbuilt steam locomotive tender, X-1827;

2. One (1) Reading 2100 Class, Model T-1, 4-8-4 Steam Locomotive #2100, tender and spare parts, and boiler number 58330, now bearing reporting mark "TPHX", number TPHX 2100, Steam 4-8-4; and

3. One (1) used, Budd Company built railroad passenger combination coach-baggage care, ex-C&O 1402, formerly known as AMTK 16324, now bearing reporting mark "TPHX", car number 19481.

SCHEDULE B

Office des transports du Canada

Canadian Transportation Agency

Date: 1999-07-05

Certificat n°
Certificate No. 99001

Certificat d'aptitude délivré à

Certificate of fitness issued to

Ferroequus Railway Company Limited

par l'Office des transports du Canada conformément aux paragraphes 92(1) et 92(2) de la *Loi sur les transports au Canada*, L.C. (1996), ch. 10 permettant à Ferroequus Railway Company Limited d'exploiter un chemin de fer comme il est indiqué ci-dessous :

L'exploitation sur une base provisoire d'une éventuelle ligne de chemin de fer de compétence fédérale en effectuant des mouvements non payants du point milliaire 112,0 au point milliaire 112,5 de la subdivision Caso de la Canada Southern Railway Company à St. Thomas (Ontario) (dirigée conjointement par la Compagnie des chemins de fer nationaux du Canada et de la Compagnie de chemin de fer Saint-Laurent et Hudson Limitée), et, en vertu d'une entente commerciale, sur les lignes de la Compagnie des chemins de fer nationaux du Canada entre St. Thomas (Ontario) et Québec (Québec), tel qu'indiqué à l'annexe A ci-joint.

by the Canadian Transportation Agency pursuant to subsections 92(1) and 92(2) of the *Canada Transportation Act*, S.C., 1996, c. 10 which permits the Ferroequus Railway Company Limited to operate a railway for the purpose as set out below:

The testing of a proposed federal railway by operating non-revenue moves on the Caso Subdivision of the Canada Southern Railway Company (jointly managed by the Canadian National Railway Company and the St. Lawrence & Hudson Railway Company Limited), from mileage 112.0 to mileage 112.5 in St. Thomas, Ontario and, through a commercial agreement, on the lines of the Canadian National Railway Company between St. Thomas, Ontario and Québec, Quebec as set out in Appendix A, attached hereto.

Secrétaire
Office des transports du Canada

Secretary
Canadian Transportation Agency

Canada

Annexe A/
Appendix A

Subdivisions	Entre/Between
Paynes	St. Thomas - Glencoe E. (p.m. 0,0 - p.m. 27,3) St. Thomas - Glencoe E.(m. 0.0 - m. 27.3)
Chatham	Glencoe E - Komoka (p.m. 27,3 - p.m. 7,1) Glencoe E - Komoka (m. 27.3 - m. 7.1)
Strathroy	Komoka - London (p.m. 9,8 - p.m. 0,0) Komoka - London (m. 9.8 - m. 0.0)
Dundas	London - Bayview (p.m. 78,2 - p.m. 0,0) London - Bayview (m. 78.2 - m. 0.0)
Oakville	Bayview - Toronto (p.m. 36,9 - p.m. 0,0) Bayview - Toronto (m. 36.9 - m. 0.0)
Kingston	Toronto - Dorval (p.m. 333,8 - p.m. 10,3) Toronto - Dorval (m. 333.8 - m. 10.3)
Montréal	Dorval - Taschereau (p.m. 11,6 - p.m. 8,7) Dorval - Taschereau (m. 11.6 - m. 8.7)
St- Laurent	Taschereau - Pointe-aux-Trembles (p.m. 146,2 - p.m. 127,8) Taschereau - Pointe-aux-Trembles (m. 146.2 - m. 127.8)
Joliette	Pointe-aux-Trembles - Hervey (p.m. 127,8 - p.m. 0,0) Pointe-aux-Trembles - Hervey (m. 127.8 - m. 0.0)
La Tuque	Hervey - Cap-Rouge (p.m. 71,6 - p.m. 0,0) Hervey - Cap-Rouge (m. 71.6 - m. 0.0)
Bridge	Cap-Rouge - Québec (p.m. 5,4 - p.m. 15,9) Cap-Rouge - Quebec (m. 5.4 - m. 15.9)

EXHIBIT "C"

THIS INDENTURE made the 27 day of October, 2005.

BETWEEN:

Great Canadian RailTour Company Ltd., having offices at
2100-1075 West Georgia Street
Vancouver B.C. V6E 3G2;

(hereinafter called the "Assignor")

AND:

Charles R. Allard, of
13723 Summit Point
Edmonton, AB T5N 3S6;

(hereinafter called the "Assignee")

WHEREAS:

A. The Assignor loaned the principal sum of $275,000 to Ferroequus Railway Company Limited ("Ferroequus"), pursuant to the terms of a Subordinated, Secured, Convertible Debenture ("Debenture"), dated January 22, 2001. The principal sum and accrued and unpaid interest secured by the Debenture was due and owing to the Assignor on August 31, 2005 and remains unpaid.

B. The property charged by the Debenture is presently located in the City of Coquitlam, in the Province of British Columbia, and is known and described as a Reading 2100 Class, Model T-2, 4-8-4 Steam Locomotive, a Vanderbilt Steam Locomotive Tender, and a Budd Company built Railroad passenger coach-baggage car (referred to collectively as the "Locomotive")

C. The Assignor has agreed to assign all of its right, title and interest in and to:

(a) the Debenture and all benefit to arise therefrom either at law or in equity; and
(b) the Locomotive,

unto the Assignee in the manner hereinafter expressed.

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the sum of $319,436.50 of lawful money of Canada now paid to the Assignor by the Assignee and other good and valuable consideration (the receipt and sufficiency of which the Assignor hereby acknowledges), the parties hereto covenant and agree as follows:

1. The Assignor hereby assigns, transfers and sets over to the Assignee all of the Assignor's right, title and interest in and to:

(a) the Debenture and all monies now or in the future owing under the Debenture, and the full benefit of all powers and covenants and provisos therein contained; and

(b) the Locomotive,

to have and to hold the same unto the Assignee absolutely and forever, subject to the terms of this assignment agreement.

2. The Assignor represents and warrants to the Assignee that as at October 26, 2005:

(a) the principal and interest owing to the Assignor pursuant to the Debenture was $311,936.50, all of such monies are now due and owing by Ferroequus and interest continues to accrue at the rate as set forth in the Debenture; and

(b) legal costs incurred by the Assignor in its dealings vis a vis Ferroequus and the Debenture are $7,500.

2. With respect to the legal costs incurred by the Assignor and which are included in the amount paid by the Assignee to the Assignor as aforesaid, the Assignor agrees that if:

(a) the Assignor and the Assignee agree that the legal costs payable by Ferroequus to the Assignor pursuant to the Debenture are less than $7,500; or

(b) Ferroequus or the Assignee within 60 days of the date of this agreement obtains a certificate from the Registrar of the Court at a hearing of which the Assignor was given due notice that the legal costs payable by Ferroequus to the Assignor pursuant to the Debenture are less than $7,500, and provided that:

(i) the decision of the Registrar as reflected in such certificate is not appealed by the Assignor; and

(ii) if appealed such decision is upheld,

then Assignor will, within a reasonable time after the conclusion of such agreement or the later of the granting of such certificate or the appeal decision upholding the Registrar's decision, repay to the Assignor the difference between the amount so certified and the $7,500. Any costs of such Registrar's hearing and any appeal from the same will be for the account of the party incurring the same.

3. Save as expressly set forth herein, this assignment is made on the condition that the Assignor's right, title and interest assigned herein is assigned on an "as is, where is" basis and there are no warranties or representations or terms whatsoever, whether expressed, implied,

statutory or otherwise, from the Assignor to the Assignee, or otherwise forming part of this agreement, and without limitation to the generality of the foregoing, there is no expressed, implied, statutory or other warranty or representation or term with respect to:

(c) the liability of Ferroequus to pay to the Assignor or the Assignee the full amount of any monies which the Assignee has paid to the Assignor in connection with this assignment, or the ability of the Assignee to recover from Ferroequus any of the monies which Ferroequus is liable to pay;

(a) the validity, enforceability, priority or perfection of the security purported to have been created by the Debenture;

(b) the state or condition or location of the Locomotive;

(c) due registration of any financing or other statements in any offices of public record with respect to the security purported to have been created by the Debenture;

(d) the Assignor having taken any steps with respect to the Debenture and/or with respect to the Locomotive which would or should be taken by a holder of security pursuant to any statute, law, regulation or order, Federal or Provincial, in order to effect, maintain or renew the validity or enforceability of such security.

4. The Assignee covenants and agrees that, and it is a condition of this assignment and of any other document provided by the Assignor to the Assignee in relation to the subject matter of this agreement that, the Assignee shall take no steps in relation to the Debenture or the indebtedness hereby assigned or the Locomotive or any other matter subject of this agreement in the name of the Assignor but shall only do so in the name of the Assignee.

5. The Assignee shall indemnify and keep indemnified the Assignor from all claims, actions, causes of action, damages and costs brought or awarded or arising against the Assignor in connection with the subject matter of these presents.

6. It is agreed that this agreement and everything contained herein shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, agents, servants, successors and assigns.

7. This agreement may be executed in counterparts by the parties hereto, and executed counterparts may be delivered by facsimile and such execution and delivery shall be valid for all intents and purposes and the executed counterparts shall together form one document.

IN WITNESS WHEREOF the Assignor and the Assignee have executed this Assignment the day and year first above written.

Great Canadian Railtour Company Ltd.
by its authorized signatory
per:

Signature

Glen Munro - Executive Vice President
Print name and title

Charles R. Allard

I hereby certify that a copy of this document was deposited in the Office of the Registrar General of Canada on the 8th day of November 2005 at 13:26 a.m./p.m.

Deputy Registrar General of Canada