

BACKGROUND

Hopper Car Repainting

In April 2007, the Saskatchewan Grain Car Corporation (SGCC) announced its intention to begin repainting its fleet of approximately 930 covered grain hopper cars. The investment was made to address corrosion issues and to ensure that the hopper cars continue to reduce costs to farmers to the end of their 50 year life span.

The repainting also provided an opportunity to change the paint colour and design to better promote the province. The hopper cars are being painted green. Decals include a golden yellow stripe representing the wheat and canola fields of Saskatchewan, and the province's floral emblem, the western red prairie lily. The Saskatchewan! wordmark runs across the length of the car.

Pacific Western Rail Systems

Pacific Western Rail Systems (PWRS) was formed in 1998 by the Pacific Western Rail Systems (Coop) of Surrey B.C. to provide an avenue for its members and others to order railcar and locomotive model replicas. PWRS specializes in the production of special run - limited edition cars and engines.

Initially operated by volunteers, PWRS soon grew to where it is now Canada's largest retail outlet for model railroad enthusiasts.

Licensing Agreement

The SGCC and PWRS have entered into a 10 year agreement, which grants PWRS's new subsidiary North American Railcar Corporation the exclusive right to manufacture and distribute scale replica models of the SGCC's new hopper car. For this right, PWRS will pay a royalty to the SGCC for each scale replica model sold.