

RITCHIE BROS AUCTIONEERS INC

FORM F-10/A

(Amended Registration statement for securities of certain Canadian issuers under the Securities Act of 1933)

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

AMENDMENT NO. 1 TO
Form F-10
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Ritchie Bros. Auctioneers Incorporated

(Exact name of registrant as specified in its charter)

Canada
*(Province or other jurisdiction of
incorporation or organization)*

7389
*(Primary Standard Industrial
Classification Code Number)*

Not applicable
*(I.R.S. Employer
Identification No.)*

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Approximate date of commencement of proposed sale of the securities to the public:
As soon as practicable after this Registration Statement becomes effective.

Province of British Columbia
(Principal jurisdiction regulating this offering)

It is proposed that this filing shall become effective (check appropriate box)

- A. Upon filing with the Commission, pursuant to Rule 467(a) (if in connection with an offering being made contemporaneously in the United States and Canada).

B. At some future date (check the appropriate box below)

1. Pursuant to Rule 467(b) on (*date*) at (*time*) (designate a time not sooner than seven calendar days after filing).
2. Pursuant to Rule 467(b) on (*date*) at (*time*) (designate a time seven calendar days or sooner after filing) because the securities regulatory authority in the review jurisdiction has issued a receipt or notification of clearance on (*date*).
3. Pursuant to Rule 467(b) as soon as practicable after notification of the Commission by the Registrant or the Canadian securities regulatory authority of the review jurisdiction that a receipt or notification of clearance has been issued with respect hereto.
4. After the filing of the next amendment to this Form (if preliminary material is being filed).

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to the home jurisdiction's shelf prospectus offering procedures, check the following box.

PART I

INFORMATION REQUIRED TO BE DELIVERED TO OFFEREES OR PURCHASERS

The information in this prospectus is not complete and may be changed. The selling shareholder may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 23, 2004

PROSPECTUS

1,739,130 Shares



Ritchie Bros. Auctioneers Incorporated

Common Shares

This is an offering of 1,739,130 common shares of Ritchie Bros. Auctioneers Incorporated. All of the offered shares are being sold by Warm Springs Investments Ltd., the selling shareholder, a company controlled by David E. Ritchie, our Chairman and Chief Executive Officer. As of January 15, 2004, Mr. Ritchie beneficially owned or controlled 4,938,223 of our outstanding common shares and, after giving effect to this offering, he would have owned or controlled 3,199,093 common shares, representing 18.8% of our outstanding common shares. We will not receive any of the proceeds from the sale of the shares by the selling shareholder.

Our common shares are listed on the New York Stock Exchange under the symbol "RBA". On January 22, 2004, the closing price of our common shares on the New York Stock Exchange was US\$50.45 per share.

The Toronto Stock Exchange has conditionally approved the listing of our common shares under the symbol "RBA". Listing of our common shares is subject to us fulfilling all of the requirements of the Toronto Stock Exchange on or before April 14, 2004.

Investors should carefully consider the issues described under "Risk Factors" beginning on page 14. The "Risk Factors" section provides a discussion of considerations relevant to an investment in our common shares.

We are permitted to prepare this prospectus in accordance with Canadian disclosure requirements, which are different from those of the United States. We prepare our financial statements in accordance with Canadian generally accepted accounting principles, and they may be subject to Canadian auditing and auditor independence standards. As a result, they may not be comparable to financial statements of United States companies.

Owning our common shares may subject you to tax consequences both in the United States and Canada. This prospectus may not describe these tax consequences fully. You should read the tax discussion under "Income Tax Considerations for U.S. Shareholders."

Your ability to enforce civil liabilities under the United States federal securities laws may be adversely affected because we are incorporated in Canada, most of our officers and directors and some of the experts named in this prospectus are Canadian residents, and substantially all of our assets and the assets of those officers, directors and experts are located outside of the United States.

	Price to Public	Underwriting Commission	Net Proceeds to the Selling Shareholder
Per Share	US\$	US\$	US\$
Total	US\$	US\$	US\$

The underwriters may also purchase up to an additional 260,870 shares from the selling shareholder at the public offering price, less the underwriting commission, within 30 days after the date of the closing of this offering to cover over-allotments, if any.

None of the Securities and Exchange Commission, any state securities regulator or any securities regulatory authority in Canada has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The common shares will be ready for delivery in New York, New York on or about _____, 2004.

Raymond James

CIBC World Markets

William Blair & Company

Scotia Capital

The date of this prospectus is _____, 2004.

TABLE OF CONTENTS

	<u>Page</u>
PROSPECTUS SUMMARY	1
Overview	1
Industry	1
Competitive Advantages	3
Growth Strategies	5
Operations	5
Marketing and Sales	7
International Network of Auction Sites	8
Competition	10
Corporate Information	10
Recent Developments	10
The Offering	11
Summary Consolidated Financial and Other Information	12
RISK FACTORS	14
SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS	20
USE OF PROCEEDS	21
DIVIDEND POLICY	21
DESCRIPTION OF SHARE CAPITAL	22
PRINCIPAL AND SELLING SHAREHOLDERS	23
INCOME TAX CONSIDERATIONS FOR U.S. SHAREHOLDERS	24
United States Federal Income Tax Considerations	24
Canadian Federal Income Tax Considerations	27
UNDERWRITING	29
LEGAL MATTERS	32
EXPERTS	32
AUDITORS, TRANSFER AGENT AND REGISTRAR	32
DOCUMENTS INCORPORATED BY REFERENCE	32
WHERE YOU CAN FIND ADDITIONAL INFORMATION	34
DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT	34

When considering an investment in the offered shares, you should rely only on the information contained or incorporated by reference in this prospectus. We have not, and the underwriters have not, authorized anyone, including the selling shareholder, to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We and the selling shareholder are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information in this document may only be accurate as of the date on the front cover of this prospectus.

This prospectus contains forward-looking statements that involve risks and uncertainties. See the section entitled “Special Note About Forward-Looking Statements.”

In this prospectus, “Ritchie Bros.,” the “Company,” “we” or “us” each refers to Ritchie Bros. Auctioneers Incorporated, either alone or together with its subsidiaries, unless the context requires otherwise.

Certain names in this prospectus are our trademarks.

All share and per share information presented in this prospectus does not give effect to the proposed stock split referred to under “Prospectus Summary — Ritchie Bros. Auctioneers — Recent Developments.”

PROSPECTUS SUMMARY

This summary primarily highlights selected information contained elsewhere in this prospectus or in the documents incorporated by reference. This summary does not contain all of the information that you should consider before investing in the shares offered by this prospectus. You should carefully read the entire prospectus, including the section entitled "Risk Factors" and the documents and financial statements incorporated by reference in this prospectus, before making an investment decision. We publish our financial statements in United States dollars in accordance with generally accepted accounting principles in Canada, or Canadian GAAP. Except as otherwise indicated, all references to dollar amounts in this prospectus refer to United States dollars and all information in this prospectus assumes that the underwriters' over-allotment option will not be exercised.

Ritchie Bros. Auctioneers

Overview

We are the world's largest auctioneer of industrial equipment. At December 31, 2003, we operated from over 90 locations, including 29 auction sites, in more than 20 countries around the world. We sell, through unreserved public auctions, a broad range of equipment, including equipment used in the construction, transportation, mining, forestry, petroleum, marine and agricultural industries. Our customers are primarily end users of equipment, such as contractors, and they also include equipment manufacturers, dealers, brokers and finance companies. Our business is driven by many factors, including fleet upgrades and realignments, financial pressure, mergers and acquisitions, retirements, inventory reductions and the completion of major construction and other projects.

Our gross auction sales, which represent the total proceeds from all items sold at our auctions, were \$1.56 billion for the year ended December 31, 2003, which is 13% higher than 2002. We believe that we sell more used trucks and industrial equipment than any other company in the world, and industry observers estimate that our gross auction sales exceed the combined sales of our 40 largest auction competitors.

Strict adherence to the unreserved auction process is one of our founding principles and, we believe, one of our significant competitive advantages. Unreserved means that there are no minimum or reserve prices on anything sold at a Ritchie Bros. auction — each item sells to the highest bidder on sale day. In addition, consignors (or their agents) are not allowed to bid on or buy back their own equipment. We have maintained our commitment to the unreserved auction process since our first industrial auction in 1963.

Our worldwide marketing efforts and reputation for conducting fair auctions enable us to attract a broad international base of customers to our auctions. This provides a global marketplace that can transcend local market conditions. We believe that our ability to consistently draw significant numbers of local and international bidders to our auctions provides a compelling value proposition to sellers of used equipment and generates a greater volume of consigned equipment and higher gross auction sales than our competitors.

Industry

We operate in the auction segment of the global industrial equipment marketplace, selling primarily used trucks and equipment through unreserved public auctions. Industry analysts estimate that there is approximately \$1 trillion of used industrial equipment of the type we sell in circulation worldwide, and that around \$100 billion of that equipment changes ownership each year. Of this total, only a fraction is currently traded through auctions, with the majority being sold directly or through dealers and brokers. Our core target market includes both mobile and stationary equipment. Examples include crawler tractors, excavators, loader backhoes and trucks and trailers. Much of the equipment can be used in multiple industries and in diverse geographic locations. Although we are the largest participant in this highly

fragmented marketplace, our 2003 gross auction sales represented less than 2% of the estimated \$100 billion annual market.

As we grow our business we intend to capitalize on a number of key characteristics of the global industrial equipment market:

Growing Market for Used Industrial Equipment. The international used industrial equipment market continues to expand as a result of the increasing, cumulative supply of used equipment, which is driven by the ongoing production of new equipment by manufacturing companies.

Growth of the Auction Segment of the Industrial Equipment Market. We believe that auctions represent an increasingly popular distribution channel for industrial equipment for the following reasons:

- The ability of auctioneers to sell a wide range of equipment and related assets and therefore offer a comprehensive and convenient service to buyers and sellers;
- The increasing transparency of the international used equipment market due in large part to the depth of information now available on the Internet;
- The increasing preference of sellers to access the auction marketplace in order to achieve a sale quickly and efficiently; and
- The ability of auctioneers to deliver high net proceeds on the sale of equipment.

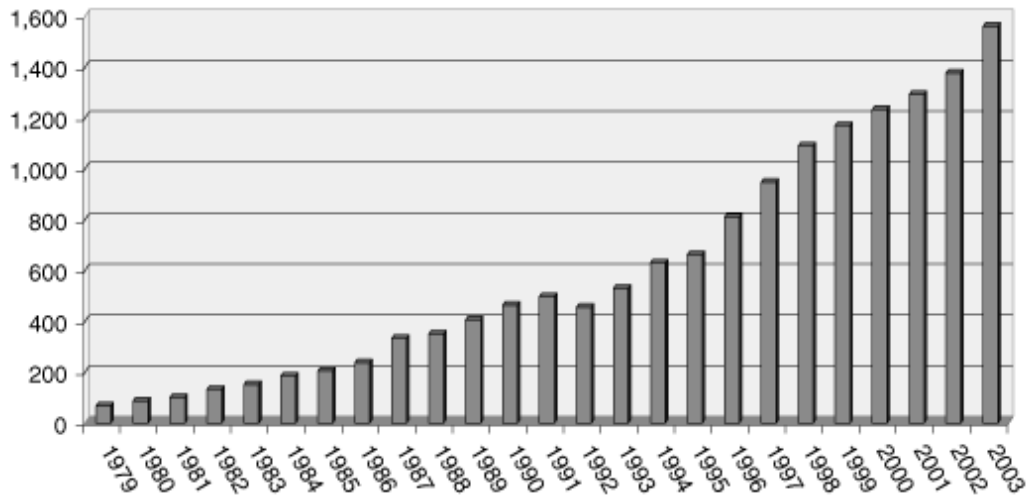
Attractiveness of Industrial Equipment Auction Market. In addition to the growth of both the industrial equipment market as a whole and the auction segment of that market, we believe that the following are attractive characteristics of the industrial equipment auction business:

- The industrial equipment auction business is relatively insulated from cyclical economic trends. Many of the factors that prompt owners to sell equipment also create an environment in which equipment buyers opt for high quality used equipment rather than typically more expensive new equipment. As a result, auctioneers can capitalize on economic downturns as well as upturns;
- Industrial equipment auctioneers are not restricted to selling lines of equipment provided by a particular manufacturer or manufactured for a particular industry, or to holding auctions in a particular geographic region;
- Auction companies do not typically bear the risks associated with holding inventory over extended periods;
- The industrial equipment auction industry is highly fragmented (and we are the largest participant in that industry); and
- Used industrial equipment is well-suited to the auction method of buying and selling because items of used equipment cannot be valued on a commodity basis. The transparency of the unreserved auction method gives buyers and sellers confidence that the equipment has traded for a fair market price.

Competitive Advantages

Our key strengths provide distinct competitive advantages and have enabled us to attract an increasing number of consignors and bidders to our auctions, allowing us to achieve significant and profitable growth. Our gross auction sales have grown at a compound annual growth rate of 13.4% over the last 25 years, as illustrated below.

Ritchie Bros. Gross Auction Sales¹ (\$ millions)



(1)Gross auction sales represents the total proceeds from all items sold at our auctions. Gross auction sales is not a measure of our revenue and is not presented in our consolidated financial statements. Gross auction sales is a key indicator of our operating performance and we believe that gross auction sales provides an important comparative measure of our relative operating performance between periods.

Reputation for Conducting Only Unreserved Auctions. We believe that our highly publicized commitment to fair dealing and the unreserved auction process is a key contributor to our growth and success. All of our auctions are unreserved, meaning that there are no minimum or reserve prices; each and every item is sold to the highest bidder on the day of the auction. Consignors are prohibited by contract from bidding on their own consigned items at the auction or in any way artificially affecting the auction results. Bidders at our auctions have confidence that if they are the high bidder on an item, then they are the buyer of that item, regardless of price. We believe that Ritchie Bros.' reputation for conducting only unreserved auctions is a major reason why bidders are willing to commit the necessary time and effort to participate in our auctions, and we believe that the size and breadth of the resulting bidding audiences enable us generally to achieve higher prices than our competitors.

Ability to Transcend Local Market Conditions. We market each auction to a global customer base of potential bidders, through the use of traditional print media and the Internet. Because bidders are willing to travel between regions and countries to attend our auctions, and are able to participate over the Internet if they are unable or choose not to attend in person, consignors have confidence that they will receive the world market price for their equipment. Buyers from outside the region in which the auction is being held typically account for 50% or more of the gross auction sales at our auctions.

International Scope. We have substantial expertise in marketing, assembling and conducting auctions in international markets. We have conducted auctions in more than 20 countries and we regularly hold auctions in North America, Europe, Australia and the Middle East. In 2003 we held our first ever auctions in Greece and South Africa.

Extensive Network of Auction Sites. Our international network of 29 auction sites is attractive to consignors of equipment with widely dispersed fleets and also to manufacturers wanting to access multiple

regional markets. We believe that our network of auction sites has allowed us to achieve economies of scale by holding more frequent and larger auctions at our existing facilities, taking advantage of our considerable operating capacity without incurring significant incremental costs. In addition, many of our auction sites are equipped with environmentally certified painting and refurbishing facilities which, together with purpose-built auction theatres and equipment display yards, allow us to deliver a uniquely high level of service to our customers.

Proprietary Databases. We maintain sophisticated databases containing information on several million pieces of equipment sold at auctions around the world, detailed information regarding new equipment prices and listings of stolen equipment. Together with our unique and comprehensive information about the flow of equipment coming to market, these databases allow us to identify market trends and estimate equipment values.

We also maintain a proprietary customer information database containing detailed information on more than 400,000 companies and individuals from over 200 countries, including each customer's auction attendance, trade association memberships, buying and travel habits and banking information. This database enables us to identify customers that might be interested in the equipment being sold at any particular auction.

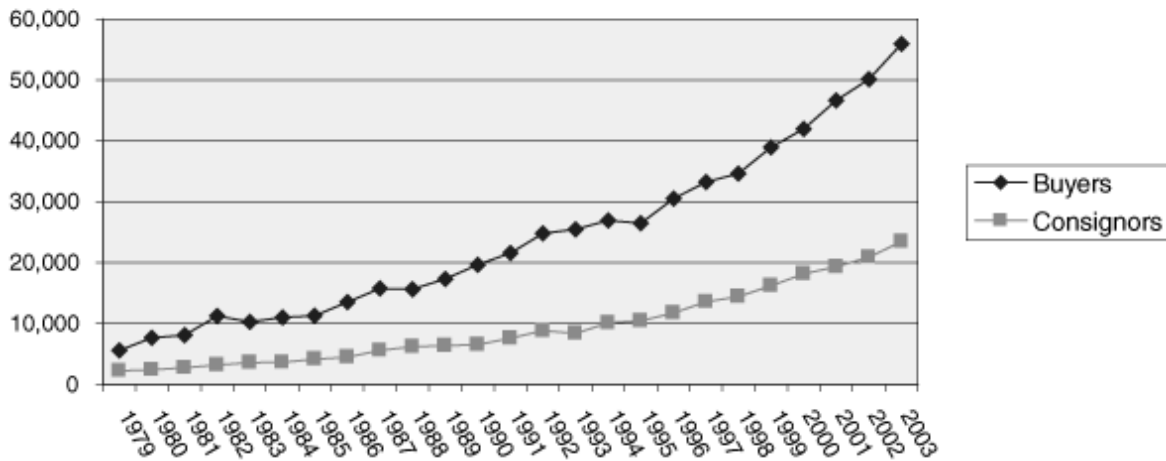
Internet Services. We believe that our extensive Internet presence and the tools available on our website are valuable to buyers and sellers of equipment and represent a distinct competitive advantage for Ritchie Bros. Our *rbactionBid-Live* online bidding service has had a positive impact on our ability to transcend local market conditions and offer international scope to equipment buyers and sellers. It has also increased the number of bidders participating in our auctions, which we believe has led to higher selling prices. We launched the *rbactionBid-Live* service in 2002, and by the end of 2003 we had over 10,000 customers registered to use the service and customers bidding in our live auctions over the Internet were the buyer or runner-up bidder on more than 15% of the available items.

Size and Financial Resources. In addition to being the world's largest auctioneer of industrial equipment, we believe that we sell more used trucks and industrial equipment than any other company, including non-auction companies such as manufacturers, dealers and brokers, making us the largest participant in this highly fragmented market. In addition to our strong market position, we have the financial resources to offer our consignors guarantee and outright purchase contracts, to invest in new technologies and to expand into new markets. Further, our significant infrastructure investments in recent years have helped us to grow our revenues faster than our expenses, leading to improved margins and profitability.

Dedicated and Experienced Workforce. Our sales and support team is a key part of our customer service effort. We had 589 full-time employees at December 31, 2003. All employees participate in performance bonus programs that tie their overall compensation to corporate and personal performance, and none are compensated on a commission basis. Our senior management team has extensive industry experience — the six members of our senior management Executive Committee have a combined 138 years of experience in the equipment auction industry.

These competitive advantages have enabled us to hold successful auctions and provide a compelling value proposition for buyers and consignors alike, as evidenced by the growth in the number of buyers and consignors participating in our auctions, set out in the graph below, and the resulting growth in our gross auction sales. The success of one auction helps to attract a greater volume and selection of consigned equipment to the next auction, which attracts more bidders, which attracts more consignments, and so on. We view this as a self-reinforcing process that has been working in our favor for over 40 years. We believe that this momentum, together with our size and reputation, gives our customers confidence in our auction services, which contributes to our growth and acts as a barrier to entry for potential competitors.

Ritchie Bros. Buyers and Consignors



Growth Strategies

We intend to take advantage of our momentum and extensive infrastructure to continue to grow our gross auction sales by making further inroads into markets and regions that we have already entered. In addition, we intend to continue to seek opportunities to expand into new market segments and to broaden our geographic reach by entering new countries and regions.

Because of the large size of our potential market, it is our view that the most important factors influencing our future growth are internal factors, rather than external factors. We believe that our ability to design and implement an appropriate growth strategy is the most important factor influencing our future growth.

Key elements of our growth strategy are as follows:

- Increase our customer base and seek to continually improve the service we provide to our existing customers;
- Expand our geographic reach by developing new customer relationships and holding auctions in new markets;
- Further expand into related and complementary markets, such as agricultural, transportation and industrial marine segments;
- Use the Internet and other technologies to enhance our business;
- Improve sales force productivity by focusing on recruiting and training and by using technology to increase the efficiency and effectiveness of our sales force; and
- Expand our network of auction sites at an average rate of one to two sites per year.

Operations

During the year ended December 31, 2003, we conducted 143 unreserved industrial auctions at locations in North America, Europe, the Middle East, Australia and Africa. Although our auctions vary in size, the average Ritchie Bros. industrial auction in 2003 attracted over 1,200 bidders and featured approximately 1,100 lots consigned by about 160 consignors. The average gross auction sales at these auctions in 2003 was approximately \$11 million. We also held 27 smaller unreserved agricultural auctions in 2003.

In 2003, approximately 89% of our gross auction sales came from auctions held at our permanent auction sites and regional auction units. Permanent auction sites are located on land that we own. Current permanent auction sites average over 50 acres in size and typically include an equipment display yard, an auction theatre, administrative offices, customer parking, and an environmentally certified refurbishing facility. Regional auction units are auction sites located on leased land that typically have more modest facilities than a permanent auction site. The remaining 11% of our gross auction sales in 2003 came from “off-site” auctions, typically held on rented or consignor-owned land. The decision about whether to hold a particular auction at one of our sites versus an off-site location is driven by the nature, amount and location of the equipment to be sold.

We believe that our auctions generally draw a larger number of bidders than most other industrial equipment auctions. Also, the majority of the bidders at our auctions are end-users of equipment (typically retail buyers) rather than brokers or dealers (typically wholesale buyers). In 2003, approximately 80% of our gross auction sales were to end-users. Large end-user bidder audiences, including international bidders and Internet bidders, enable us to deliver world market prices. This potential for high proceeds on the sale of equipment is a core part of our value proposition and helps to attract consignments, which further attracts larger bidder audiences in a self-reinforcing process.

Some of the key elements of our auction process include:

Attracting Bidders. We believe our proprietary customer database, which contains over 400,000 customer names from more than 200 countries, significantly enhances our ability to market our auctions effectively. We typically send up to 50,000 full-color auction brochures for each auction to strategically selected customers. We also conduct targeted regional and industry-specific advertising and marketing campaigns. In addition, we post information about all of the consigned equipment at upcoming auctions on our website so that potential bidders can review equipment descriptions and view photographs of many of the items to be sold. During 2003, 181,039 bidders registered to bid at our auctions, compared to 156,010 in 2002.

Attracting Equipment. We solicit equipment consignments ranging from single pieces of equipment consigned by local owner-operators to large equipment fleets offered by multi-national consortiums upon the completion of major construction projects. For substantial consignments, our service typically begins with an equipment appraisal that gives the prospective consignor a credible estimate of the value of the appraised equipment. We believe that our consignors choose to sell their equipment at our auctions, rather than through other channels or other auctioneers, because they believe that selling at a Ritchie Bros. auction is the best way to maximize the net proceeds on the sale of their assets. During 2003 we received 23,480 consignments, typically comprised of multiple lots, compared to 20,919 consignments in 2002.

Our willingness to take consignment of a customer’s full equipment fleet, including ancillary assets such as inventories, parts, tools, attachments and construction materials, rather than only accepting selected items, is another valued service that we offer to consignors that sets us apart from most of our competitors.

Attractive Contract Options. We offer consignors several contract options to meet their individual needs. These can include a straight commission contract, where the consignor receives the gross proceeds on the sale minus an agreed upon commission rate, as well as alternate arrangements including guarantee contracts (where the consignor receives a guaranteed minimum amount plus an additional amount if proceeds exceed a specified level) or an outright purchase of the equipment by us for resale. We refer to guarantee and outright purchase contracts as our underwritten business. Guarantee contracts have generally represented about 20% of our gross auction sales on an annual basis in recent periods, while outright purchases have averaged about 5% of our gross auction sales on an annual basis in recent periods.

Our commission structure reflects the degree of risk we assume with respect to the equipment being sold. In general, on similar packages of equipment, we charge lower commissions for straight commission sales than for guarantee contracts. In the case of outright purchases, pricing takes into account the risks we assume. We typically offer guarantee and purchase contract options only on large, diverse fleets of

equipment. We manage the risk associated with our underwritten business by performing detailed appraisals of the equipment and involving senior levels of management in the decision making process.

The main components of our auction revenues are the commissions and profit earned on our underwritten business, the commissions earned on straight commission contracts and the fees charged to buyers in certain circumstances. We expect to achieve a sustainable average annual auction revenue rate, which is calculated by dividing auction revenues into gross auction sales, of 9.50%, though the rate fluctuates from period to period depending mainly on the results of our underwritten business.

Value-Added Services. We provide a wide array of services to make the auction process convenient for buyers and sellers of equipment. Examples of these services include:

- conducting title searches on consigned equipment, where registries are commercially available, to ensure the equipment is sold with clear title;
- making consigned equipment available for inspection by prospective buyers;
- providing access to representatives of finance companies, transportation companies, customs brokerages and other service providers;
- providing facilities for on-site cleaning, painting and refurbishment of equipment; and
- handling all marketing, as well as collection and disbursement of proceeds.

Marketing and Sales

At December 31, 2003, we employed 188 sales representatives. These representatives are deployed by geographic region around the world. Each sales representative is primarily responsible for the development of customer relationships and sourcing consignments in the representative's region. Sales representatives are also involved in the appraisal and proposal presentation process. To encourage global teamwork and superior customer service, none of our employees is paid on a commission basis. All of our employees are compensated primarily by a combination of base salary and performance bonus.

Sales force productivity is an important measure of our relative operating performance between periods. Productivity is measured as gross auction sales per sales representative. Over the long term, we have experienced average annual gross auction sales of approximately \$8 million per sales representative. However, over the last several years our sales force productivity dropped, mainly because we significantly increased the size of our sales force. It generally takes between two and three years for a new sales representative to achieve the level of productivity we expect. As the table below illustrates, our sales force productivity is returning to historic levels as the sales representatives we added over the last five years become fully productive.

Year Ended December 31,	Average Number of Sales Representatives	Gross Auction Sales per Sales Representative (\$ millions)
1998	122	\$8.92
1999	141	8.30
2000	165	7.47
2001	186	6.94
2002	192	7.17
2003	189	8.25

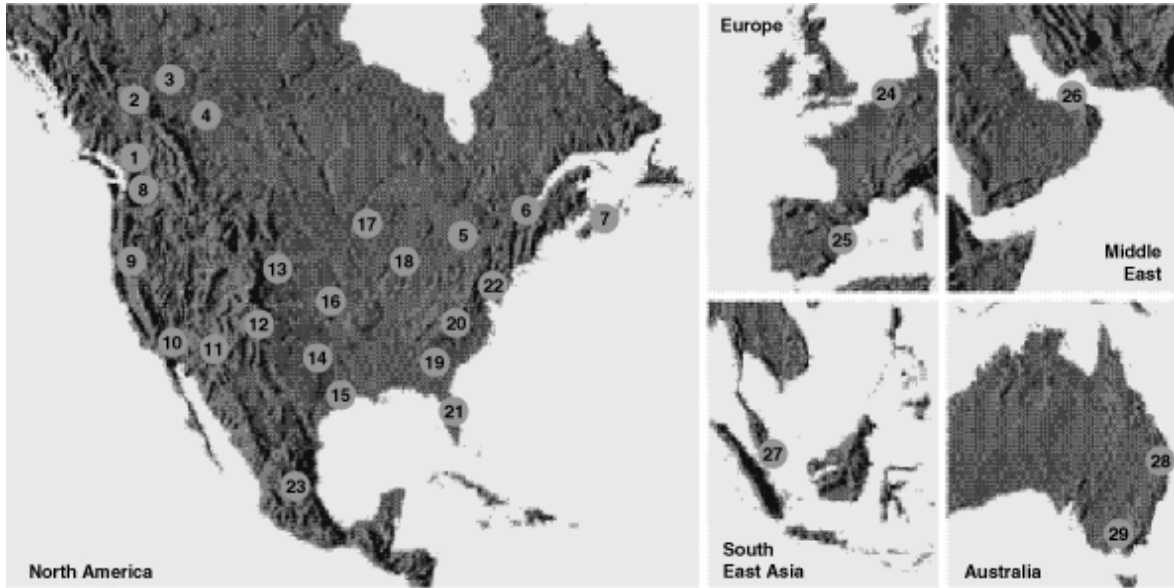
To support our sales representatives, we follow a dual marketing strategy, promoting Ritchie Bros. and the unreserved auction process in general, as well as marketing specific auctions. This dual strategy is designed to attract both consignors and bidders to our auctions. Our advertising and promotional efforts include the use of trade journals and magazines and attendance at numerous trade shows held around the world. We also participate in international, national and local trade associations. The *rbauktion.com* website has become an increasingly important component of our marketing program, with over 70,000 user sessions per week, with an average length of over 20 minutes per session, during our main auction periods.

In addition to regional marketing through our sales representatives, we market through our national accounts team to large national customers, including rental companies, manufacturers and finance companies, who have equipment disposition requirements in various regions and countries and can therefore benefit from our international network of auction sites.

International Network of Auction Sites

We attempt to establish our auction sites in industrial areas close to major cities. Although we lease some auction sites, we prefer to purchase land and construct purpose-built facilities once we have determined that a region can generate sufficient financial returns to justify the investment. We generally do not construct a permanent auction site in a particular region until we have conducted a number of offsite sales in the area, and often we will operate from a regional auction unit for several years before considering a more permanent investment. This process allows us to evaluate the market potential before we make a significant investment. We will not invest in a permanent auction site unless we believe there is an opportunity for significant, profitable growth in a particular region. Our average expenditure on a permanent auction site is currently between \$10 million and \$12 million, including land, improvements and buildings.

The following maps show our permanent auction sites and regional auction units as at December 31, 2003:



Canada:

- 1 Vancouver, British Columbia
- 2 Prince George, British Columbia
- 3 Grande Prairie, Alberta
- 4 Edmonton, Alberta
- 5 Toronto, Ontario
- 6 Montreal, Quebec
- 7 Halifax, Nova Scotia

United States:

- 8 Olympia, Washington
- 9 Stockton, California ⁽¹⁾⁽²⁾
- 10 Perris, California
- 11 Phoenix, Arizona
- 12 Albuquerque, New Mexico
- 13 Denver, Colorado
- 14 Fort Worth, Texas
- 15 Houston, Texas

- 16 Kansas City, Missouri ⁽²⁾
- 17 Minneapolis, Minnesota
- 18 Morris, Illinois
- 19 Atlanta, Georgia
- 20 Statesville, North Carolina
- 21 Orlando, Florida
- 22 North East, Maryland

Other Countries:

- 23 Toluca, Mexico ⁽²⁾
- 24 Moerdijk, The Netherlands
- 25 Valencia, Spain ⁽²⁾
- 26 Dubai, United Arab Emirates ⁽²⁾
- 27 Singapore ⁽²⁾
- 28 Brisbane, Australia
- 29 Melbourne, Australia ⁽²⁾

(1)The Stockton, California regional auction unit will be replaced by a new permanent auction site in Sacramento, California, which is scheduled to open in 2004.

(2)Regional auction unit.

At certain of our auction sites we own additional property that may be available for future expansion or sale. We also own land in other areas not listed above that may be available for future expansion or sale.

Competition

Both the international used industrial equipment market and the auction segment of that market are highly fragmented. We compete for potential purchasers of industrial equipment with other auction companies and with non-auction competitors such as equipment manufacturers, distributors and dealers, and equipment rental companies. When sourcing equipment to sell at our auctions, we compete with other auction companies, equipment dealers and brokers, and equipment owners who have traditionally disposed of equipment through private sales.

Corporate Information

We were amalgamated on December 12, 1997 under, and are governed by, the *Canada Business Corporations Act*. Our registered office is located at 1300 — 777 Dunsmuir Street, Vancouver, British Columbia, Canada V7Y 1K2. Our executive office is located at 6500 River Road, Richmond, British Columbia, Canada V6X 4G5 and our telephone number is (604) 273-7564.

We conduct business primarily through the following five indirect wholly-owned operating subsidiaries:

- Ritchie Bros. Auctioneers (Canada) Ltd. — incorporated under the laws of Canada;
- Ritchie Bros. Properties Ltd. — incorporated under the laws of Canada;
- Ritchie Bros. Holdings Ltd. — incorporated under the laws of Canada;
- Ritchie Bros. Auctioneers (America) Inc. — incorporated under the laws of the State of Washington, USA;
- Ritchie Bros. Properties Inc. — incorporated under the laws of the State of Washington, USA;
- Ritchie Bros. Holdings Inc. — incorporated under the laws of the State of Washington, USA; and
- Ritchie Bros. Auctioneers BV — incorporated under the laws of The Netherlands.

Recent Developments

On January 15, 2004 we announced our intention to effect a two-for-one stock split, subject to the approval of our shareholders at our Annual Meeting of Shareholders, scheduled to be held on April 16, 2004. All share and per share information in this prospectus does not give effect to the proposed stock split.

On January 14, 2004 we received conditional approval to list our common shares on the Toronto Stock Exchange, or TSX. Listing of our common shares on the TSX is subject to us fulfilling all of the requirements of the TSX on or before April 14, 2004.

The Offering

Offering	1,739,130 common shares offered by the selling shareholder. ⁽¹⁾
Common Shares Outstanding Before and After this Offering	16,983,822 ⁽²⁾
Use of Proceeds	All of the common shares (including the shares subject to the underwriters' over-allotment option) are being sold by the selling shareholder. We will not receive any of the proceeds from the sale of the common shares by the selling shareholder and will not be responsible for any of the expenses of this offering.
Ownership of Common Shares by the Individual Controlling the Selling Shareholder	<p>The 1,739,130 common shares offered by this prospectus represent approximately 10.2% of our outstanding common shares. Following the closing of this offering, Mr. David E. Ritchie, who controls the selling shareholder, will beneficially own or control common shares representing approximately 18.8% of our outstanding common shares.</p> <p>If the underwriters' over-allotment option is exercised in full, a total of 2,000,000 common shares will be offered by this prospectus, representing approximately 11.8% of our outstanding common shares, and Mr. Ritchie will beneficially own or control common shares representing approximately 17.3% of our outstanding common shares.</p>
Risk Factors	Prospective purchasers of our common shares should consider carefully the matters set forth under "Risk Factors" before purchasing any common shares in this offering.
NYSE Symbol	RBA
Proposed TSX Symbol	RBA

(1)Excludes 260,870 common shares that are subject to the over-allotment option granted by the selling shareholder to the underwriters in connection with this offering.

(2)The number of common shares outstanding before and after this offering is based on common shares outstanding as of January 15, 2004, and excludes 1,214,844 common shares reserved for future issuance under our stock option plan, of which 406,727 common shares are issuable upon the exercise of stock options outstanding under the plan as of January 15, 2004, at a weighted average exercise price of \$26.64 per share.

Summary Consolidated Financial and Other Information

The following summary historical consolidated financial data as at December 31, 2002, 2001 and 2000 and for each of the years in the three-year period ended December 31, 2002 has been derived from and is qualified by reference to our audited consolidated financial statements. The summary historical consolidated financial data as at September 30, 2003 and 2002 and for each of the nine-month periods ended September 30, 2003 and 2002 has been derived from and is qualified by reference to our unaudited consolidated financial statements, which include, in management's opinion, all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the interim periods. You should read this data together with those financial statements, and the related management's discussion and analysis of financial condition and results of operations, all of which, except the consolidated balance sheets as at December 31, 2000 and as at September 30, 2002, are incorporated by reference into this prospectus, and the risk factors described in the section entitled "Risk Factors" beginning on page 14.

Our consolidated financial statements are prepared in United States dollars in accordance with Canadian GAAP. These principles conform in all material respects with United States generally accepted accounting principles, except as disclosed in note 12 of our consolidated financial statements for the year ended December 31, 2002, which are incorporated by reference into this prospectus. All dollar amounts in the following table and related notes are in thousands of dollars, except per share data.

	Nine Months Ended September 30,		Year Ended December 31,		
	2003	2002	2002	2001	2000
	(unaudited)	(unaudited)			
Statement of Operations Data:					
Auction revenues ⁽¹⁾	\$ 113,823	\$ 89,172	\$ 133,552	\$ 116,991	\$ 106,125
Direct expenses	15,200	13,110	19,684	18,861	17,936
	<u>98,623</u>	<u>76,062</u>	<u>113,868</u>	<u>98,130</u>	<u>88,189</u>
Depreciation and amortization ⁽²⁾	8,586	6,517	9,208	9,076	7,761
General and administrative expense	51,720	46,327	63,786	56,517	52,942
	<u>38,317</u>	<u>23,218</u>	<u>40,874</u>	<u>32,537</u>	<u>27,486</u>
Earnings from operations	38,317	23,218	40,874	32,537	27,486
Interest expense	(3,644)	(2,809)	(4,302)	(4,024)	(3,378)
Other income	863	1,833	2,455	1,409	1,252
	<u>35,536</u>	<u>22,242</u>	<u>39,027</u>	<u>29,922</u>	<u>25,360</u>
Earnings before income taxes	35,536	22,242	39,027	29,922	25,360
Income taxes ⁽³⁾	10,700	4,993	10,656	9,868	8,155
	<u>\$ 24,836</u>	<u>\$ 17,249</u>	<u>\$ 28,371</u>	<u>\$ 20,054</u>	<u>\$ 17,205</u>
Net earnings	\$ 24,836	\$ 17,249	\$ 28,371	\$ 20,054	\$ 17,205
Net earnings per share — basic	\$ 1.47	\$ 1.03	\$ 1.69	\$ 1.20	\$ 1.03
Net earnings per share — diluted	1.46	1.02	1.68	1.19	1.02
Weighted average number of shares outstanding					
— Basic	16,869,870	16,788,251	16,793,202	16,761,247	16,743,433
— Diluted	17,029,656	16,906,756	16,915,424	16,864,003	16,860,863
Balance Sheet Data (period end):					
Working capital (including cash)	\$ 33,693	\$ 16,909	\$ 25,443	\$ 19,279	\$ 26,821
Total assets	473,798	395,251	329,136	275,543	268,353
Long-term debt	35,243	63,159	62,612	61,217	57,821
Total shareholders' equity	237,479	185,982	199,374	165,933	148,764

	Nine Months Ended September 30,		Year Ended December 31,		
	2003	2002	2002	2001	2000
	(unaudited)	(unaudited)			
Selected Operating Data:					
Gross auction sales ⁽⁴⁾	\$1,082,286	\$915,335	\$1,376,206	\$1,290,897	\$1,232,974
Auction revenue rate ⁽⁵⁾	10.52%	9.74%	9.70%	9.06%	8.61%
Number of consignors	16,753	14,106	20,919	19,196	18,177
Number of bidders	127,047	103,060	156,010	139,339	122,154
Number of buyers	39,406	33,754	50,126	46,647	41,940
Permanent auction sites (period end)	22	22	22	21	20

(1) Auction revenues are comprised of commissions earned from consignors through straight commission and guarantee contracts, the net profit on the sale of inventory items, fees charged to buyers and incidental interest income.

(2) Depreciation and amortization includes goodwill amortization of \$1,650 in 2001 and \$1,651 in 2000. Goodwill amortization ceased effective January 1, 2002 in accordance with new accounting pronouncements in Canada and the United States. Excluding goodwill amortization, net earnings for 2001 would have been \$21,061 (\$1.26 per share basic and \$1.25 per share diluted) and for 2000 would have been \$18,212 (\$1.09 per share basic and \$1.08 per share diluted).

(3) Income taxes in 2001 include withholding taxes of \$2,000 paid on intercompany dividends.

(4) Gross auction sales represents the total proceeds from all items sold at our auctions. Gross auction sales is not a measure of our revenue and is not presented in our consolidated financial statements. Gross auction sales is a key indicator of our operating performance and we believe that gross auction sales provides an important comparative measure of our relative operating performance between periods.

(5) Auction revenue rate is auction revenues as a percentage of gross auction sales.

RISK FACTORS

You should carefully consider the risks described below before making an investment decision. You should also refer to the other information in this prospectus, including our financial statements and the related notes and other documents incorporated by reference into this prospectus. The risks and uncertainties described below are not the only risks and uncertainties we face. Additional risks and uncertainties not currently known to us or that we currently deem immaterial also may impair our business operations. If any of the following risks actually occur, our business, results of operations and financial condition would suffer. In that event, the trading price of our common shares could decline, and you may lose all or part of your investment in our common shares.

Risks Related to Our Business

Our operating results are subject to quarterly variations.

Our revenues and operating results historically have fluctuated from quarter to quarter. Among the factors that we expect will continue to cause these fluctuations are:

- the timing, frequency and size of auctions;
- the seasonal nature of the auction business in general, with peak results typically in the second and fourth calendar quarters, primarily due to the seasonal nature of the construction and natural resources industries;
- the performance of our underwritten business (guarantee and outright purchase contracts);
- general economic conditions in our markets; and
- the timing of acquisitions and development of auction sites and related costs.

Additionally, we generally incur substantial costs when entering new markets, and the profitability of operations at a new location is uncertain due to heightened variability in the number and size of auctions at these sites. These and other factors may cause our future results to fall short of investor expectations or to not compare favorably to past results. This may cause the market price of our common shares to decline.

We may incur losses related to our guarantee and outright purchase contracts and advances to consignors.

We generally offer our services to consignors of used equipment on a straight commission basis. In some cases we will, subject to our evaluation of the equipment, either offer to:

- guarantee the consignor a minimum level of sale proceeds, regardless of the ultimate results of the auction; or
- purchase the equipment directly from the consignor for sale in a particular auction.

If auction proceeds are less than the guaranteed amount, our commission will be reduced or, if sufficiently lower, we will incur a loss. If auction proceeds are less than the purchase price we paid, we will incur a loss. Because all of our auctions are unreserved, we cannot protect against these types of losses by bidding on or acquiring any items at the auctions. In recent periods, guarantee contracts and our direct purchases and sales of inventory have generally represented approximately one-quarter of our annual gross auction sales.

Occasionally we advance to consignors a portion of the estimated auction proceeds prior to the auction. We generally make these advances only after taking possession of the equipment to be auctioned and upon receipt of a security interest in the equipment to secure the obligation. If we were unable to auction the equipment or if auction proceeds were less than amounts advanced, we could incur a loss.

We may incur losses related to our guarantees of clear title on the equipment sold at our auctions.

We guarantee that each item purchased at our auctions is free of liens and other encumbrances up to the purchase price paid by the buyer. While we expend considerable effort ensuring that all liens have been identified and, if necessary, discharged prior to the auction sale, occasionally we have not properly identified or discharged liens and have had to make payments to the relevant lienholders or purchasers. If we are unable to recover sufficient funds from the consignors to offset these payments, we will incur a loss, and aggregate losses from these payments could be material.

We may be unable to sustain and manage our growth.

A principal component of our strategy is to continue our growth, primarily by increasing earnings from operations in existing markets and by expanding into new geographic markets and into auction market segments that we have not historically emphasized. We may not be successful in growing our business or in managing this growth. Our growth depends on our ability to accomplish a number of things, including:

- identifying and developing new markets and market segments;
- identifying and acquiring, on favorable terms, suitable new auction sites and, possibly, businesses that are suitable acquisition candidates;
- successfully integrating new sites and any acquired businesses with our existing operations;
- achieving acceptance by potential consignors and industrial equipment buyers of the auction process generally;
- establishing and maintaining favorable relationships with consignors and bidders in new markets and market segments, and maintaining these relationships in existing markets;
- capitalizing on changes in the supply of and demand for industrial equipment, both on a local and global basis;
- receiving required governmental authorizations for proposed development or expansion; and
- successfully managing expansion and obtaining required financing.

Any growth we achieve may require additional employees and increase the scope of both our operating and financial systems and the geographic area of our operations. This will increase our operating complexity and the level of responsibility of existing and new management personnel. We may be unable to attract and retain qualified management and employees, and our existing operating and financial systems and controls may not be adequate to support any growth. Our ability to improve our systems and controls may be limited by increased costs, technological challenges, or lack of qualified employees. Our past results and growth may not be indicative of our prospects or our ability to penetrate new markets, many of which may have different competitive conditions and demographic characteristics than our current markets.

Our substantial international operations expose us to foreign exchange rate fluctuations and political and economic instability, which could harm our operating results.

We conduct business in North, South and Central America, Europe, Asia, Australia, Africa and the Middle East and intend to expand our international presence. Fluctuating currency exchange rates, acts of terrorism or war, and changing social, economic and political conditions and regulations may adversely affect our business in international markets and our related operating results. Fluctuations in currency exchange rates between the different countries in which we conduct auctions impact the purchasing power of buyers, the motivation of consignors, equipment values and equipment flows between different countries. These factors and other global economic conditions may impair our business and harm our operating results.

Although we report our financial results in United States dollars, a significant portion of our auction revenues are generated at auctions held outside the United States, mostly in currencies other than the United States dollar. Changes in currency exchange rates against the United States dollar, particularly for the Canadian dollar or the Euro, could affect the results presented in our financial statements and cause our earnings to fluctuate.

Competition in our markets may lead to reduced revenues and profitability.

The international used industrial equipment market and the auction segment of that market are highly fragmented. We compete directly for potential purchasers of industrial equipment with other auction companies. Our indirect competitors include equipment manufacturers, distributors and dealers that sell new or used equipment, and equipment rental companies. When sourcing equipment to sell at our auctions, we compete with other auction companies, equipment dealers and brokers, and equipment owners that have traditionally disposed of equipment in private sales.

Our direct competitors are primarily regional auction companies. Some of our indirect competitors have significantly greater financial and marketing resources and name recognition than we do. New competitors with greater financial and other resources may enter the industrial equipment auction market in the future. Additionally, existing or future competitors may succeed in entering and establishing successful operations in new geographic markets prior to our entry into those markets. They may also compete against us through Internet-based services. If existing or future competitors seek to gain or retain market share by reducing commission rates, we may also be required to reduce commission rates, which may reduce our revenue and harm our operating results and financial condition.

Decreases in the supply of, demand for, or market values of industrial equipment, primarily used industrial equipment, would harm our business.

Significant erosion in the supply of, demand for, or market values of used equipment could reduce our auction revenues and impact our financial condition and results of operations. Most of the factors that affect the supply of, and demand for, used equipment are beyond our control, and market values for used equipment fluctuate based on circumstances beyond our control. In addition, price competition for new equipment has a direct impact on the supply of, demand for, and market value of used equipment. Some industrial equipment manufacturers are offering low or no down payment terms and low or no interest charges to increase sales of new equipment, which also exerts downward pressure on new equipment prices and in turn, impacts the market for used equipment.

We depend on key personnel, the loss of any of which could harm our business.

Our future performance and development will depend to a significant extent on the efforts and abilities of our executive officers. The loss of the services of one or more of these individuals or other senior managers could harm our business. We do not maintain key man insurance on the lives of any of our employees. Our success will depend largely on our continuing ability to attract, develop and retain skilled employees in all areas of our business.

Our operations are subject to substantial environmental and other regulations, which may significantly increase our expenses or limit our operations and ability to expand.

A variety of federal, provincial, state and local laws, rules and regulations apply to our business. These relate to, among other things, the auction business, imports and exports of equipment, worker safety, privacy of customer information, and the use, storage, discharge and disposal of environmentally sensitive materials. Failure to comply with applicable laws, rules and regulations could result in substantial liability to us, suspension or cessation of some or all of our operations, restrictions on our ability to expand at present locations or into new locations, requirements for the acquisition of additional equipment or other significant expenses or restrictions.

The development or expansion of auction sites depends upon receipt of required licenses, permits and other governmental authorizations. Our inability to obtain these required items could harm our business. Additionally, changes or concessions required by regulatory authorities could result in significant delays in, or prevent completion of, this development or expansion.

Under some laws regulating the use, storage, discharge and disposal of environmentally sensitive materials, an owner or lessee of real estate may be liable for the costs of removal or remediation of hazardous or toxic substances located on or in, or emanating from, the real estate, and related costs of investigation and property damage. These laws often impose liability without regard to whether the owner or lessee knew of, or was responsible for, the presence of the hazardous or toxic substances. Environmental contamination may exist at our owned or leased auction sites from prior activities at these locations or from neighboring properties. In addition, auction sites that we acquire or lease in the future may be contaminated, and future use of or conditions on any of our properties or sites could result in contamination. The costs related to environmental contamination of any of the properties we own or lease could harm our financial condition and results of operations.

There are restrictions in the United States and Europe that may affect the ability of equipment owners to transport certain equipment between specified jurisdictions. One example of these restrictions is environmental certification requirements in the United States, which prevent non-certified equipment from being entered into commerce in the United States. If these restrictions were to materially inhibit the ability of customers to ship equipment to or from our auction sites, they could reduce our gross auction sales and harm our business.

International bidders and consignors could be deterred from participating in our auctions if governmental bodies impose additional export or import regulations or additional duties, taxes or other charges on exports or imports. Reduced participation by international bidders and consignors could reduce our gross auction sales and harm our business, financial condition and results of operations.

Our insurance may be insufficient to cover losses that may occur as a result of our operations.

We maintain property and general liability insurance. This insurance may not remain available to us at commercially reasonable rates, and the amount of our coverage may not be adequate to cover any liability we incur. Our auctions generally involve the operation of large equipment close to a large number of people, and an accident could damage our facilities or injure auction attendees. Any major accident could harm our reputation and business. In addition, if we were held liable for amounts exceeding the limits of our insurance coverage or for claims outside the scope of our coverage, the resulting costs could harm our results of operations and financial condition.

Our Internet-related initiatives may not improve our results and are subject to technological obsolescence; in addition, we may not be able to compete with our competitors' technologies.

We have invested significant resources in the development of our Internet presence, including our *rbactionBid-Live* Internet bidding service. In spite of our investment, these new technologies may not result in any material improvement in our financial condition or results of operations over the long term and may require further investment. In addition, we may not be able to continue to adapt our business to Internet commerce, our Internet technologies may become obsolete, and we may not be able to compete effectively against Internet auction services offered by our competitors.

Our business is subject to risks relating to our ability to safeguard the security and privacy of our customers' confidential information.

We maintain proprietary databases containing confidential information regarding our customers and the results of our auctions, and we must safeguard the security and privacy of this information. For example, our proprietary customer database includes information relating to customers' auction attendance, trade association memberships, buying habits and banking information. Despite our efforts to protect this

information, we face the risk of inadvertent disclosure of this sensitive information or an intentional breach of our security measures.

Security breaches could damage our reputation and expose us to a risk of loss or litigation and possible liability. We may be required to make significant expenditures to protect against security breaches or to alleviate problems caused by any breaches. Our insurance policies may not be adequate to reimburse us for losses caused by security breaches.

If our Internet and computer systems infrastructure is unable to provide acceptable performance, we could suffer damage to our reputation, which could harm our business and results of operations.

We launched our *rbactionBid-Live* online bidding service in March of 2002. This service has contributed to our reputation as an auction services provider with the ability to transcend local market conditions. The performance of our server and networking hardware and software infrastructure is critical to our ability to provide auction services via the Internet. If our systems do not continue to provide acceptable performance, our reputation may be damaged, and we may lose customers.

Risks Related to this Offering

Concentration of ownership of our common shares and other factors could limit common shareholders' influence on our business and the price that investors are willing to pay in the future for our common shares.

Following the consummation of this offering, our directors and executive officers collectively will beneficially own approximately 30.3% (28.8% if the underwriters exercise in full the over-allotment option) of our outstanding common shares. As a result, our directors and executive officers, if they act together, would be able to exercise significant control over our business, policies and affairs. The timing and receipt of any takeover or control premium by our shareholders could depend on our directors' and executive officers' determination of when to sell their shares.

Our Articles of Amalgamation and by-laws allow our Board of Directors to issue, in its sole discretion and without the approval of the holders of our common shares, preferred shares which may have rights and preferences that are superior to those of our common shares. This could delay or prevent a change of control that would be attractive to, and provide liquidity for, common shareholders, and could limit the price that investors are willing to pay in the future for our common shares.

The price of our common shares may fluctuate significantly.

The market price of our common shares is subject to significant variation due to various factors, both within and outside our control, including:

- fluctuations in our operating results;
- changes in, or actual results varying from, earnings or other estimates made by securities analysts;
- the degree of success we achieve in implementing our growth strategy;
- changes in business or regulatory conditions affecting us, our customers or our competitors; and
- the other risk factors included in this prospectus.

In addition, the stock market may experience volatility in terms of prices and volumes that can affect the share prices of companies in ways unrelated to their operating performance, and this market volatility may cause the market price of our common shares to fluctuate.

We may not continue to pay regular cash dividends.

We declared and paid quarterly cash dividends of \$0.15 per outstanding common share for the second and third fiscal quarters of 2003. Any decision to declare and pay dividends in the future will be made at the discretion of our Board of Directors, after taking into account our operating results, financial condition, cash requirements, financing agreement restrictions and other factors our Board may deem relevant. We

may be unable or may elect not to continue to declare and pay dividends, even if necessary financial conditions are met and sufficient cash is available for distribution. We anticipate appropriately reducing the per share amount of any cash dividends we may pay on our common shares following our proposed two-for-one stock split, to give effect to the stock split.

Because we are a Canadian company, it may be difficult for you to enforce liabilities against us based upon United States federal securities laws.

We are a corporation amalgamated under the laws of Canada and our principal executive office is located in Richmond, British Columbia. The majority of our directors and officers, and the experts named in this prospectus, are residents of Canada, and a substantial portion of their assets and our assets are located outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon the directors, officers and experts, or to enforce judgments of United States courts based upon civil liability under the federal securities laws of the United States against them. There is doubt as to the enforceability in Canada of judgments against us or against any of our directors, officers or experts, in original actions or in action for enforcement of judgments of United States courts, based solely upon the federal securities laws of the United States.

SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference in this prospectus contain forward-looking statements that involve risks and uncertainties. These statements are based on current expectations and estimates about our business, and include, among others, statements relating to:

- our future performance;
- growth of our operations;
- expansion of the markets and market segments (geographic and otherwise) in which we conduct auctions, including of the international used industrial equipment market;
- increases in the number of consignors and bidders participating in our auctions;
- growth of auction industry markets and segments;
- our competitive strengths;
- the anticipated improvement, acquisition and development by us of auction sites;
- increased sales force productivity;
- our gross auction sales, auction revenues and auction revenue rates, including increases in auction revenue rates from fees and other factors and the sustainability of those rates;
- our direct expense rates, depreciation expenses and potential increases in income taxes;
- the effect on our general and administrative expenses of expanded infrastructure and workforce;
- our future capital expenditures;
- the relative insulation of the industrial equipment auction business from cyclical economic trends;
- our Internet initiatives and the contribution to our operating results from Internet-based auction purchases;
- financing available to us; and
- our proposed stock split.

In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “could,” “continue,” “estimate,” “expect,” “intent,” “may,” “might,” “ongoing,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would,” or the negative of these terms, and similar expressions intended to identify forward-looking statements. Our forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. While we have not described all potential risks related to this offering and owning our common shares, the important factors listed under “Risk Factors” are among those that may affect our performance and could cause our actual financial and operational results to differ significantly from our predictions. We do not intend to update publicly any forward-looking statements, even if our predictions have been affected by new information, future events or other developments. You should consider our forward-looking statements in light of these and other relevant factors.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of the offered shares. The estimated net proceeds to the selling shareholder from the sale of the offered shares will be approximately \$ after deducting the underwriters' commission and the estimated expenses of this offering, which will be paid by the selling shareholder.

DIVIDEND POLICY

We declared and paid quarterly cash dividends of \$0.15 per common share for the second and third fiscal quarters of 2003. We currently intend to continue to declare and pay a regular quarterly dividend in this amount on our common shares. However, any decision to declare and pay dividends in the future will be made at the discretion of our Board of Directors, after taking into account our operating results, financial condition, cash requirements, financing agreement restrictions and other factors our Board may deem relevant.

Because Ritchie Bros. is a holding company with no material assets other than the shares of its subsidiaries, our ability to pay dividends on our common shares depends on the income and cash flow of our subsidiaries. No financing agreements to which our subsidiaries are party currently restrict those subsidiaries from paying dividends.

We intend to effect a two-for-one split of our outstanding common shares, subject to shareholder approval at our Annual Meeting of Shareholders scheduled to be held on April 16, 2004. We anticipate appropriately reducing the per share amount of any cash dividends we may pay on our common shares following the proposed stock split, to give effect to the stock split.

DESCRIPTION OF SHARE CAPITAL

Our authorized share capital consists of an unlimited number of common shares without par value, 16,983,822 shares of which were outstanding as of January 15, 2004, an unlimited number of Senior preferred shares without par value and an unlimited number of Junior preferred shares without par value (together known as the “preferred shares”). Our Board of Directors, without further action by shareholders, is authorized to determine the designations, rights and restrictions to be attached to the preferred shares upon issuance. No preferred shares were outstanding as of January 15, 2004 and we currently have no plans to issue preferred shares.

Holders of common shares are entitled to one vote for each share held on all matters submitted to a vote of the shareholders, including the election of directors. Accordingly, holders of the majority of the common shares entitled to vote in any election of directors may elect all of the directors standing for election. There are no limitations on the rights of non-resident or foreign owners to hold or vote common shares. Subject to preferences that may be applicable to any preferred shares outstanding at the time, holders of common shares are entitled to receive rateably any dividends as may be declared from time to time by the Board of Directors out of funds legally available therefor. See “Dividend Policy.” In the event of a liquidation, dissolution or winding up, holders of common shares are entitled to share rateably in all assets remaining after payment of our liabilities and any liquidation preferences of any outstanding preferred shares. Holders of common shares have no pre-emptive rights and no rights to convert their common shares into any other securities and there are no redemption provisions with respect to such shares. The rights, preferences and privileges of holders of common shares are subject to, and may be adversely affected by, the rights of the holders of any series of preferred shares that we may designate and issue in the future.

The issuance of preferred shares in certain circumstances may have the effect of delaying or preventing a change of control of Ritchie Bros. without further action by the shareholders, may discourage bids for our common shares at a premium over the market price of the common shares and may adversely affect the market price and the voting and other rights of the holders of common shares.

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets out information about the beneficial ownership (subject to certain joint ownership and family trust interests) of our common shares as of January 15, 2004 for Mr. David E. Ritchie, who controls Warm Springs Investments Ltd., which is selling common shares in this offering, and for our directors and executive officers as a group. The applicable beneficial ownership percentage is based on 16,983,822 common shares outstanding.

	Before Giving Effect to this Offering		No. of Common Shares Offered	After Giving Effect to this Offering	
	No. of Common Shares	% of Common Shares Outstanding		No. of Common Shares	% of Common Shares Outstanding
David E. Ritchie, <i>Chairman and Chief Executive Officer</i>	4,938,223 ⁽¹⁾⁽²⁾	29.1	1,739,130	3,199,093	18.8
Directors and executive officers as a group ⁽³⁾	6,887,772	40.6	1,739,130	5,148,642	30.3

(1)Of these common shares, 1,345,375 are registered in the name of D.E.R. Auctions Ltd., 1,592,748 are registered in the name of Davcorp Investments Ltd. and 2,000,000 are registered in the name of Warm Springs Investments Ltd., each of which is controlled by Mr. Ritchie. Mr. Ritchie also holds 100 common shares personally. All of the common shares to be sold in this offering will be sold by Warm Springs Investments Ltd., the selling shareholder.

(2)Mr. Ritchie (subject to certain joint ownership and family trust interests) has beneficially owned or controlled all but 100 of these common shares since they were initially issued by us in 1997 as part of a corporate reorganization that we carried out prior to our initial public offering.

(3)Includes Mr. Ritchie.

If the underwriters exercise the over-allotment option granted to them by the selling shareholder, the number of common shares offered by the selling shareholder will be 2,000,000 and the percentage of outstanding common shares Mr. Ritchie and the directors and executive officers as a group would beneficially own or control after giving effect to this offering would be 17.3% and 28.8%, respectively.

INCOME TAX CONSIDERATIONS FOR U.S. SHAREHOLDERS

The following discussion generally summarizes certain material United States and Canadian federal income tax consequences of the purchase, ownership and disposition of our common shares purchased pursuant to this prospectus by U.S. purchasers. This discussion is not intended to be, nor should it be construed to be, legal or tax advice to any particular prospective purchaser. This discussion does not take into account U.S. state or local tax laws, Canadian provincial or territorial tax laws, or tax laws of jurisdictions outside of the United States and Canada. The following discussion is based upon the tax laws of the United States and Canada in effect on the date of this prospectus, which are subject to change and possible retroactive effect. Prospective purchasers should consult their own tax advisors with respect to their particular circumstances.

United States Federal Income Tax Considerations

The following is a general summary of certain United States federal income tax considerations relating to the purchase, ownership and disposition of our common shares. This summary is based upon the U.S. Internal Revenue Code of 1986, as amended (referred to as the Code), Treasury regulations, Internal Revenue Service (or the IRS) rulings and judicial decisions now in effect, all of which are subject to change (possibly, with retroactive effect) or different interpretations.

This discussion is limited to U.S. Holders (as defined below) who hold our common shares as “capital assets” within the meaning of Section 1221 of the Code (generally, for investment). The U.S. federal income tax consequences of purchasing, owning or disposing of our common shares could differ from those described in this section of this prospectus. This summary does not describe all U.S. federal income tax consequences that may be relevant to such holders in light of their particular circumstances or to holders subject to special rules under U.S. federal income tax law, such as (1) dealers or traders in securities or currencies, (2) financial institutions, (3) investors in pass-through entities, partnerships or other entities classified as partnerships for U.S. federal income tax purposes, (4) tax-exempt organizations or qualified retirement plans, (5) insurance companies, (6) persons holding common shares as a hedge or as part of a straddle, constructive sale, conversion transaction, or other risk management transaction, (7) U.S. Holders whose “functional currency” is not the U.S. dollar, and (8) certain former citizens or residents of the United States. Furthermore, this summary does not address alternative minimum taxes nor any aspect of foreign, state, local, estate or gift taxation.

INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS ABOUT THE UNITED STATES FEDERAL TAX CONSEQUENCES OF ACQUIRING, HOLDING AND DISPOSING OF OUR COMMON SHARES, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCAL OR FOREIGN TAXING JURISDICTION.

U.S. Holders

As used in this section of this prospectus, the term “U.S. Holder” means a beneficial holder of our common shares that is for U.S. federal income tax purposes:

- an individual citizen or resident of the United States (unless such person is not treated as a resident of the United States under an applicable income tax treaty);
- a corporation (or an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any political subdivision thereof;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or a trust that has elected to be treated as a U.S. person.

The U.S. tax treatment of a holder of common shares that is a partnership (or other entity taxable as a partnership for U.S. federal income tax purposes) generally will depend on the status of the partner and the activities of the partnership. Partners in partnerships holding our common shares should consult their tax advisors about the U.S. federal income tax consequences of the purchase, ownership and disposition of our common shares.

Dividends

Subject to the discussion of “Special tax provisions” below, a U.S. Holder receiving dividend distributions (including constructive distributions) with respect to our common shares is required to include in gross income for U.S. federal income tax purposes the gross amount of such distributions to the extent of our current and/or accumulated earnings and profits, as determined under U.S. federal income tax principles, without reduction for Canadian income tax withheld. Such Canadian taxes withheld may be credited, subject to certain limitations, against the U.S. Holder’s U.S. federal income tax liability, or alternatively may be deducted in computing the U.S. Holder’s U.S. federal taxable income by those who itemize deductions, as described below under “Foreign tax credit.” The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution. Any distribution in excess of our current and/or accumulated earnings and profits will be treated first as a tax-free return of capital, which will reduce the U.S. Holder’s adjusted tax basis of our common shares (but not below zero). To the extent such a distribution exceeds the U.S. Holder’s adjusted tax basis in our common shares, the distribution will be taxable as capital gain. Corporate U.S. Holders receiving dividends on our common shares generally will not be eligible for the dividends-received deduction. Dividends will be treated as income from sources outside the United States, but generally will be “passive income” or, in the case of certain types of U.S. Holders, “financial services income” for U.S. foreign tax credit purposes.

If a dividend distribution is paid in Canadian dollars, the amounts includible in income will be the U.S. dollar value, on the date of distribution, of the Canadian dollar amount distributed. Any subsequent gain or loss in respect of such Canadian dollars arising from exchange rate fluctuations generally will be U.S. source ordinary income or loss.

Under current law, long-term capital gain of non-corporate U.S. Holders (including individuals) generally is eligible for preferential tax rates. For taxable years beginning after December 31, 2002 and before January 1, 2009, subject to certain exceptions, dividends received by non-corporate U.S. Holders (including individuals) from “qualified foreign corporations” (as defined in Section 1(h)(11) of the Code) are taxed at the same preferential rates that apply to long-term capital gain. Provided that we are not a “passive foreign investment company,” as discussed below, we currently meet the definition of “qualified foreign corporation,” as our common shares are readily tradable on the New York Stock Exchange (or NYSE), an established securities market in the United States, and therefore dividends paid to non-corporate U.S. Holders should be taxed at the preferential rates.

Sale, exchange or other disposition of our common shares

A U.S. Holder will recognize a gain or loss on the sale, exchange or other disposition of our common shares equal to the difference between the amount realized on the sale or other taxable disposition and the U.S. Holder’s adjusted tax basis in such shares. Subject to the discussion of “Special tax provisions” below, such gain or loss generally will be U.S. source capital gain or loss, and will be long-term capital gain or loss if the holder has held or is deemed to have held such shares for more than twelve months. Generally, long-term capital gains recognized by non-corporate taxpayers (including individuals) are taxed at lower rates than items of ordinary income. The deductibility of capital losses is subject to certain limitations.

Foreign tax credit

Subject to the limitations set forth in the Code, as modified by the United States-Canada income tax treaty, a U.S. Holder who pays (or has withheld from distributions) Canadian income tax with respect to

the ownership of our common shares may be entitled, at the option of the U.S. Holder, to receive either a deduction or a tax credit for such Canadian tax paid or withheld. Holders and prospective holders of our common shares should be aware that dividends and interest paid by us generally will constitute “passive income” for purposes of the foreign tax credit, which could reduce the amount of foreign tax credit available to a U.S. Holder. *The rules relating to the U.S. foreign tax credit are extremely complex and the availability of the foreign tax credit and the application of the limitations with respect to such credit are fact specific. Holders and prospective holders are urged to consult their own tax advisors concerning the application of the U.S. foreign tax credit rules in light of their particular circumstances.*

Special tax provisions

The U.S. federal income tax treatment of investments by U.S. Holders in non-U.S. corporations is subject to special provisions under the Code that may alter the U.S. federal income tax consequences described above.

Passive foreign investment company. Special rules apply to U.S. Holders who hold stock or rights to acquire stock in a “passive foreign investment company,” or a PFIC. In general, a non-United States corporation will be a PFIC for any taxable year in which, after applying relevant look-through rules, either (a) 75% or more of its gross income is passive income, or (b) 50% or more of the average value of its assets consists of assets that produce, or that are held for the production of, passive income. For this purpose, passive income generally includes, among other things, interest, dividends, rents, royalties and gains from certain commodities transactions.

We believe that we were not a PFIC in 2003 and believe that we will not be a PFIC in the future. Our status as a PFIC in future years will depend upon our assets and activities in those years. We have no reason to believe that our assets or activities will change in a manner that would cause us to be classified as a PFIC. However, there can be no assurance that we will not be considered a PFIC for 2003 or any future taxable year. Furthermore, there can be no assurance that the IRS will not challenge any determination by us concerning our PFIC status, currently or in the future.

If, contrary to our expectations, we were to be classified as a PFIC, a U.S. Holder may be subject to increased tax liability upon the receipt of certain distributions (including constructive distributions) or upon the sale, exchange or other disposition of our common shares, unless such holder makes one of two elections. First, if, for any taxable year that we are treated as a PFIC, a U.S. Holder of our common shares makes a timely election to treat us as a qualified electing fund, or a QEF, the electing U.S. Holder would be required to include annually in gross income (a) such holder’s pro rata share of our ordinary earnings, and (b) such holder’s pro rata share of any of our net capital gain, regardless of whether such income or gain is actually distributed. If, alternatively, a U.S. Holder makes a “mark-to-market” election, such holder generally will include annually an amount equal to the excess, if any, of the fair market value of the common shares as of the close of such taxable year over the U.S. Holder’s adjusted tax basis in the common shares. In addition, the U.S. Holder generally will be allowed a deduction for the lesser of (1) the excess, if any, of the U.S. Holder’s adjusted tax basis in our common shares over the fair market value of such shares as of the close of the taxable year, or (2) the excess, if any of (A) the mark-to-market gains for our common shares included in gross income by the U.S. Holder for prior taxable years, over (B) the mark-to-market losses for such shares that were allowed as deductions for prior tax years. If, contrary to our expectations, we were to be classified as a PFIC, we do not currently intend to take the actions necessary for a U.S. Holder to make a QEF election.

Neither we nor any of our advisors has the duty to, or will undertake to, inform U.S. Holders of changes in circumstances that would cause us to become a PFIC. *Because of this, and because of the complexity of the PFIC rules, holders and prospective holders are urged to consult with their own tax advisors with respect to the application of the PFIC rules to them.*

Controlled foreign corporation and foreign personal holding company. Special rules apply to certain U.S. Holders who own stock in a non-U.S. corporation that is classified as a “controlled foreign corporation”, or a CFC, or a “foreign personal holding company”, or a FPHC. Based upon the current

distribution of our common shares among U.S. Holders and non-U.S. Holders, we do not expect to be classified as a CFC or FPHC. However, future changes of ownership could cause us to become a CFC or FPHC. *Holders and prospective holders are urged to consult their tax advisors with respect to how the CFC and FPHC rules could affect their tax situation.*

Backup withholding and information reporting

Payment of dividends with respect to our common shares, to the extent such payments are considered to be made within the United States to a holder, and the proceeds from the sale, exchange or redemption of our common shares, may be subject to U.S. information reporting and also may be subject to U.S. backup withholding tax, unless a holder (a) is an exempt recipient (including a corporation), (b) complies with certain requirements, including applicable certification requirements, or (c) is described in certain other categories of persons. The backup withholding tax rate currently is 28%. Any amounts withheld from a payment to a holder of our common shares under the backup withholding rules may be credited against any U.S. federal income tax liability of the holder and may entitle the holder to a refund, provided that the required information is furnished to the IRS.

The preceding discussion of certain U.S. federal income tax considerations is for general information only and is not tax advice. Accordingly, holders and prospective holders are urged to consult with their own tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of the common shares in light of their own particular circumstances, as well as the effect of any state, local, or non-United States laws or any applicable tax treaty.

Canadian Federal Income Tax Considerations

The following is a general summary of certain Canadian federal income tax consequences of the acquisition, ownership and disposition of common shares generally applicable to holders of our common shares who (i) acquire their common shares pursuant to this prospectus, (ii) are residents of the United States for the purposes of the Canada-United States Income Tax Convention (1980), as amended (or the Convention), (iii) are not resident in Canada for the purposes of the Canadian Tax Act (as defined below), (iv) hold their common shares as capital property, (v) deal at arm's length with us and (vi) do not use or hold, and are not deemed to use or hold, their common shares in a business carried on in Canada. In this summary, we refer to these holders as U.S. Residents. Whether our common shares constitute capital property to a particular U.S. Resident for Canadian federal income tax purposes will depend on all circumstances relating to the acquisition and holding of those shares. These circumstances include the intention of the holder and the holder's other activities. Generally, common shares will be considered to be capital property to a U.S. Resident as long as the U.S. Resident acquired the shares as a long-term investment, is not a trader or dealer in securities, did not acquire, hold or dispose of such shares in a transaction considered to be an adventure or concern in the nature of trade (i.e. speculations) and does not hold such shares as inventory in the course of carrying on a business.

This summary is based upon the current provisions of the *Income Tax Act* (Canada) and the regulations enacted thereunder (collectively referred to as the Canadian Tax Act) and the Convention as in effect on the date hereof as well as counsel's understanding of the current published administrative and assessing policies of Canada Customs and Revenue Agency (or CCRA). This summary is not exhaustive of all possible Canadian federal income tax consequences and does not take into account provincial, territorial or foreign income tax considerations, nor does it take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action except the specific proposals to amend the Canadian Tax Act (or the Proposed Amendments) publicly announced by or on behalf of the Minister of Finance of Canada before the date of this prospectus. No assurance can be given that the Proposed Amendments will be enacted into law or that legislation will implement the Proposed Amendments in the manner now proposed.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular U.S. Resident, and no representations are made with respect to the

Canadian federal income tax consequences to any particular U.S. Resident. Accordingly, U.S. Residents should consult their own tax advisors for advice with respect to their particular circumstances. The discussion below is qualified accordingly.

A U.S. Resident will generally not be subject to tax under the Canadian Tax Act in respect of any capital gain realized by such U.S. Resident on a disposition or deemed disposition of our common shares unless such common shares are “taxable Canadian property” to the U.S. Resident for purposes of the Canadian Tax Act. Provided that our common shares continue to be listed on the NYSE, the common shares will not generally constitute taxable Canadian property to a U.S. Resident unless at any time during the 60-month period immediately preceding the disposition of the common shares by such U.S. Resident, 25% or more of the issued shares (and in the view of CCRA, taking into account any rights to acquire common shares under an option) of any class or series of our capital stock or capital stock of a predecessor corporation were owned by such U.S. Resident, persons with whom such U.S. Resident did not deal at arm’s length, or such U.S. Resident together with those persons.

Dividends which are paid or credited, or are deemed to be paid or credited, to a U.S. Resident on the common shares will generally be subject to Canadian withholding tax on the gross amount of such dividends. Currently, under the Convention, the rate of Canadian withholding tax applicable to dividends paid or credited by us to a U.S. Resident is (i) 5% of the gross amount of the dividends if the beneficial owner of the dividends is a company that is a resident of the United States which owns at least 10% of our voting stock, or (ii) 15% of the gross amount of the dividends if the beneficial owner of such dividends is any other resident of the United States.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated _____, 2004, among us, the selling shareholder, and the underwriters named below, the selling shareholder has agreed to sell to the underwriters named below the following respective numbers of common shares:

Underwriter	Number of Shares
Raymond James Ltd. CIBC World Markets Inc. William Blair & Company, L.L.C. Scotia Capital Inc.	
Total	1,739,130

The underwriting agreement provides that the underwriters are severally obligated to purchase all of the common shares in this offering if any are purchased, other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or this offering may be terminated. The obligations of the underwriters under the underwriting agreement may be terminated at their discretion upon the occurrence of certain stated events.

This offering is being made concurrently in the United States and in all of the Provinces of Canada pursuant to the multi-jurisdictional disclosure system implemented by the securities regulatory authorities in the United States and Canada. The common shares will be offered in the United States and Canada through the underwriters either directly or through their respective U.S. or Canadian registered broker-dealer affiliates. Subject to applicable law, the underwriters may also offer the common shares outside of the United States and Canada.

The selling shareholder has granted to the underwriters an option to purchase on a pro rata basis up to 260,870 additional common shares at the public offering price less the underwriting commissions. The option is exercisable for a period of 30 days after the closing of this offering only to cover any over-allotments of common shares and for market stabilization purposes. This prospectus qualifies the grant of the underwriters' over-allotment option and the transfer of the common shares transferable upon the exercise of the over-allotment option.

The offering price of the common shares has been determined by negotiation between the selling shareholder and the underwriters. The public offering price for the common shares offered is payable in U.S. dollars. The underwriters have arranged for the conversion of Canadian dollars into U.S. dollars to enable Canadian purchasers to pay for the common shares in Canadian dollars. Such conversion will be made by the underwriters on such terms and with such conditions, limitations and charges as the underwriters establish in accordance with their foreign exchange practices. The underwriters propose to offer the common shares initially at the offering price on the cover page of this prospectus. The underwriters may offer the shares to dealers at the public offering price less a concession not in excess of \$ _____ per share and the underwriters may allow, and the dealers may reallow, a discount not in excess of \$ _____ per share to other dealers. After the underwriters have made a reasonable effort to sell all of the common shares at the price specified on the cover page, the offering price may be decreased and may be further changed from time to time, and the compensation realized by the underwriters will, accordingly, also be reduced.

We expect this offering to close on or about _____, 2004, but in any event, not later than _____, 2004, and certificates for the offered shares are expected to be available for delivery at the time of closing.

In consideration of their services in connection with this offering, the selling shareholder has agreed to pay the underwriters a commission of \$ _____ per common share, or an aggregate of _____ % of the gross proceeds of this offering. The following table summarizes the compensation and estimated expenses the selling shareholder will pay:

	Per Share		Total	
	Without Over-Allotment	With Over-Allotment	Without Over-Allotment	With Over-Allotment
Underwriting commissions paid by selling shareholder	\$ _____	\$ _____	\$ _____	\$ _____
Expenses payable by selling shareholder	\$ _____	\$ _____	\$ _____	\$ _____

We have agreed, and the selling shareholder has agreed, that we will not, and the selling shareholder will not, offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the U.S. Securities and Exchange Commission a registration statement under the U.S. Securities Act of 1933 or a prospectus under applicable Canadian securities legislation relating to, any of our common shares or securities convertible into or exchangeable for any of our common shares without the prior written consent of Raymond James Ltd. for a period of 90 days after the date of this prospectus, except grants of employee stock options by us or issuances of our common shares pursuant to the exercise of employee stock options previously granted by us and outstanding on the date hereof.

Our executive officers and directors have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common shares or securities convertible into or exchangeable for any of our common shares, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common shares, whether any of these transactions are to be settled by delivery of our common shares or other securities, in cash or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Raymond James Ltd. for a period of 90 days after the date of this prospectus, except for the sale of shares issued pursuant to the exercise of employee stock options previously granted by us and outstanding on the date hereof.

In connection with this offering the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the U.S. Securities Exchange Act of 1934.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment transactions involve sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriters may close out any covered short position by either exercising their over-allotment option and/or purchasing shares in the open market.
- Syndicate covering transactions involve purchases of the common shares in the open market after the distribution has been completed to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. If the underwriters sell more shares than could be covered by the over-allotment option (a naked short position), the position can only be closed out by buying shares in the open market. A naked short position is more likely to be

created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in this offering.

- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common shares originally sold by the syndicate member are purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common shares or preventing or slowing a decline in the market price of the common shares. As a result, the price of our common shares may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the NYSE, the TSX or otherwise and, if commenced, may be discontinued at any time.

In accordance with the applicable policies of several Canadian provincial securities commissions, the underwriters may not, throughout the period of distribution, bid for or purchase common shares. Exceptions, however, exist where the bid or purchase is not made to create the appearance of active trading in, or rising prices of, the common shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. We have been advised that in connection with this offering and pursuant to the first exception mentioned above, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the common shares at levels other than those which might otherwise prevail on the open market. These transactions, if commenced, may be discontinued at any time.

We have agreed to indemnify the underwriters and the selling shareholder, and the selling shareholder has agreed to indemnify the underwriters and us against liabilities under the U.S. Securities Act of 1933 and applicable Canadian securities legislation, or to contribute to payments that the underwriters and the selling shareholder, or the underwriters and us, may be required to make in that respect.

Our common shares are listed on the NYSE under the symbol "RBA." The TSX has conditionally approved the listing of our common shares under the symbol "RBA." Listing on the TSX is subject to us fulfilling all of the requirements of the TSX on or before April 14, 2004.

LEGAL MATTERS

Certain matters of Canadian law will be passed upon by McCarthy Tétrault LLP for us and the selling shareholder and by Borden Ladner Gervais LLP for the underwriters. Certain United States legal matters will be passed upon by Perkins Coie LLP for us and the selling shareholder, and by Skadden, Arps, Slate, Meagher & Flom LLP for the underwriters. At the date of this prospectus, the partners and associates of McCarthy Tétrault LLP and Borden Ladner Gervais LLP collectively owned beneficially, directly or indirectly, less than 1% of our outstanding common shares.

EXPERTS

Our consolidated financial statements as at December 31, 2002 and 2001, and for each of the years in the three-year period ended December 31, 2002, which are incorporated by reference into this prospectus, have been audited by KPMG LLP, independent accountants, and have been so incorporated in reliance upon the report of said firm, which is also incorporated by reference into this prospectus, and upon their authority as experts in accounting and auditing.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Our auditors are KPMG LLP, Chartered Accountants, Vancouver, British Columbia.

The transfer agent and registrar for our common shares in Canada is Computershare Trust Company of Canada at its principal offices in Calgary, Alberta and Toronto, Ontario, and in the United States is Computershare Trust Company of New York at its office in New York, New York.

DOCUMENTS INCORPORATED BY REFERENCE

Information that is incorporated by reference is an important part of this prospectus. We incorporate by reference into this prospectus the documents listed below, which were filed with the securities commission or similar authority in each of the provinces of Canada where this short form prospectus is being filed:

- Our Annual Information Form dated March 18, 2003, including management's discussion and analysis of financial condition and results of operations for the years ended December 31, 2002 and 2001;
- Our audited consolidated financial statements as at December 31, 2002 and 2001 and for each of the years in the three-year period ended December 31, 2002, together with the notes thereto and the auditors' report thereon;
- Our unaudited consolidated financial statements as at September 30, 2003 and for the nine-month periods ended September 30, 2003 and 2002, together with the notes thereto and including management's discussion and analysis of financial condition and results of operations; and
- Our Information Circular dated March 18, 2003 relating to our Annual Meeting of Shareholders held on April 14, 2003, except the information included in that document relating to the composition of the compensation committee and its report on executive compensation and corporate governance and any performance graph therein.

Any documents of the type referred to above and any material change report, excluding confidential reports, filed by us with a securities commission or similar regulatory authority in Canada after the date of this prospectus and prior to the termination of any offering hereunder shall be deemed to be incorporated by reference into this prospectus.

Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded, for purposes of this prospectus, to the extent that a statement contained in this prospectus or in any other subsequently

filed document that also is or is deemed to be incorporated by reference in this prospectus modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of circumstances in which it was made. Any statement so modified or superseded will not be deemed in its unmodified or superseded form to constitute a part of this prospectus.

In addition, to the extent indicated in any Report on Form 6-K furnished to the SEC, any information included therein shall be deemed to be incorporated by reference in this prospectus. Further, we are incorporating by reference into this prospectus the following information, which is included in our Form 6-K, dated January 15, 2004, furnished to the SEC:

- Our Item 18 — Reconciliation with United States Generally Accepted Accounting Principles as at December 31, 2002 and 2001 and for each of the years in the three-year period ended December 31, 2002, together with the auditors' report thereon; and
- Our unaudited Item 18 — Reconciliation with United States Generally Accepted Accounting Principles as at September 30, 2003 and for the nine-month periods ended September 30, 2003 and 2002.

The information permitted to be omitted from this prospectus will be contained in a supplemented PREP prospectus. All disclosure contained in a supplemented PREP prospectus that is not contained in this prospectus will be incorporated by reference into this prospectus as of the date of the supplemented PREP prospectus.

Information has been incorporated by reference in this prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated by reference in this prospectus may be obtained on request without charge from our Corporate Secretary, at 6500 River Road, Richmond, British Columbia, Canada, V6X 4G5, telephone 604-273-7564. For the purpose of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record, a copy of which may also be obtained from the Corporate Secretary at the address and telephone number noted above. Copies of documents incorporated by reference or forming part of the permanent information record may also be obtained by accessing the website of the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators, which is commonly known by the acronym "SEDAR," located at www.sedar.com.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

Under the U.S. Securities Act of 1933 and with respect to the common shares being sold in this offering, we have filed with the U.S. Securities and Exchange Commission, or SEC, a registration statement on Form F-10, which together with all its amendments and supplements, we refer to as the Registration Statement. This prospectus, which forms a part of the Registration Statement, does not contain all the information included in the Registration Statement, some parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about us and this offering, you should review the Registration Statement and its schedules and exhibits. Statements contained in this prospectus about the contents of specified documents are not necessarily complete and, in each instance, we refer you to the copy of the document filed as an exhibit to the Registration Statement for a more complete description of the matter involved. The Registration Statement, including the schedules and exhibits, may be inspected, without charge, at the public reference facilities maintained by the SEC at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of all or any part of the Registration Statement may be obtained from this office after payment at prescribed rates. You may obtain information about the operation of the public reference facilities by calling the SEC at 1-800-SEC-0330. You will also be able to obtain a free copy of the Registration Statement, including the schedules and exhibits, from the SEC's website at www.sec.gov.

We are subject to the informational requirements of the U.S. Securities Exchange Act of 1934, and file periodic reports and other information under the Exchange Act with the SEC. Under a multi-jurisdictional disclosure system adopted by the United States, these reports and other information may be prepared in accordance with the disclosure requirements of Canada, which are different from United States requirements. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required to publish financial statements under the Exchange Act as frequently or as promptly as U.S. companies. Our Exchange Act reports and other information filed with the SEC may be inspected and copied at the public reference facilities maintained by the SEC at its location referred to above or obtained electronically at the SEC's website.

We are also subject to filing requirements prescribed by the securities legislation of all Canadian provinces. You are invited to read and copy any reports, statements or other information we file with Canadian provincial securities commissions or other similar regulatory authorities at their respective public reference rooms. These filings are also electronically available from SEDAR (www.sedar.com). Our common shares are listed on the NYSE, and reports and other information concerning us may be inspected at the NYSE offices located at 20 Broad Street, New York, New York. Following the listing of our common shares on the TSX, reports and other information about us should also be available for inspection at any of its offices.

DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT

The following documents have been filed with the SEC as part of the Registration Statement of which this prospectus forms a part: the documents referred to under the heading "Documents Incorporated by Reference"; consent of KPMG LLP; powers of attorney from certain of our directors and officers; and the form of the underwriting agreement to be entered between us, David E. Ritchie, the selling shareholder and the underwriters.

PART II

INFORMATION NOT REQUIRED TO BE DELIVERED TO OFFEREEES OR PURCHASERS

Indemnification

Section 124 of the *Canada Business Corporations Act*, as amended, provides as follows:

1. *Indemnification.* A corporation may indemnify a director or officer of the corporation, a former director or officer of the corporation or another individual who acts or acted at the corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the corporation or other entity.

2. *Advance of costs.* A corporation may advance moneys to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to in subsection (1). The individual shall repay the moneys if the individual does not fulfil the conditions of subsection (3).

3. *Limitation.* A corporation may not indemnify an individual under subsection (1) unless the individual

(a) acted honestly and in good faith with a view to the best interests of the corporation, or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the corporation's request; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.

4. *Indemnification in derivative actions.* A corporation may with the approval of a court, indemnify an individual referred to in subsection (1), or advance moneys under subsection (2), in respect of an action by or on behalf of the corporation or other entity to procure a judgment in its favour, to which the individual is made a party because of the individual's association with the corporation or other entity as described in subsection (1) against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfils the conditions set out in subsection (3).

5. *Right to Indemnity.* Despite subsection (1), an individual referred to in that subsection is entitled to indemnity from the corporation in respect of all costs, charges and expenses reasonably incurred by the individual in connection with the defence of any civil, criminal, administrative, investigative or other proceeding to which the individual is subject because of the individual's association with the corporation or other entity as described in subsection (1), if the individual seeking indemnity

(a) was not judged by the court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done; and

(b) fulfils the conditions set out in subsection (3).

6. *Insurance.* A corporation may purchase and maintain insurance for the benefit of an individual referred to in subsection (1) against any liability incurred by the individual

(a) in the individual's capacity as a director or officer of the corporation; or

(b) in the individual's capacity as a director or officer, or similar capacity, of another entity, if the individual acts or acted in that capacity at the corporation's request.

7. *Application to court.* A corporation, an individual or an entity referred to in subsection (1) may apply to a court for an order approving an indemnity under this section and the court may so order and make any further order that it sees fit.

8. *Notice to Director.* An applicant under subsection (7) shall give the Director notice of the application and the Director is entitled to appear and be heard in person or by counsel.

9. *Other notice.* On an application under subsection (7) the court may order notice to be given to any interested person and the person is entitled to appear and be heard in person or by counsel.

Sections 5 and 6 of By-Law No. 1 of the Registrant provide as follows:

5. *Indemnification of Directors and Officers.* The Company shall indemnify a director or officer of the Company, a former director or officer of the Company or a person who acts or acted at the Company's request as a director or officer of a body corporate of which the Company is or was a shareholder or creditor, and his heirs and legal representatives to the extent permitted by the *Canada Business Corporations Act*.

6. *Indemnity of Others.* Except as otherwise required by the *Canada Business Corporations Act* and subject to paragraph 5, the Company may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was an employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee, agent of or participant in another body corporate, partnership, joint venture, trust or other enterprise, against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted honestly and in good faith with a view to the best interests of the Company and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction shall not, of itself, create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Company and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had no reasonable grounds for believing that his conduct was lawful.

The Registrant carries liability insurance which provides for coverage for officers and directors of the Registrant and its subsidiaries, subject to a deductible for executive indemnification.

In addition, the Registrant has entered into separate Indemnification Agreements with each of its executive officers and directors, which Agreements provide for indemnification of the director or officer against certain expenses, judgments, fines and amounts incurred by each such officer or director in connection with certain threatened, pending or completed actions, suits or proceedings.

Insofar as indemnification for liabilities arising under the U.S. Securities Act of 1933 may be permitted to directors, officers and persons controlling the Registrant pursuant to the foregoing provisions, the Registrant has been informed that in the opinion of the U.S. Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Exhibits

The following exhibits have been filed as part of this Registration Statement:

Number	Description
3.1	Form of Underwriting Agreement.
4.1	Annual Information Form of the Registrant dated March 18, 2003, including management's discussion and analysis of financial condition and results of operations for the years ended December 31, 2002 and 2001 (incorporated by reference to the Registrant's Annual Report on Form 40-F for the fiscal year ended December 31, 2002, filed with the SEC on March 18, 2003).
4.2	Audited consolidated financial statements of the Registrant as at December 31, 2002 and 2001 and for each of the years in the three-year period ended December 31, 2002, together with the notes thereto and the auditors' report thereon (incorporated by reference to the Registrant's Annual Report on Form 40-F for the fiscal year ended December 31, 2002, filed with the SEC on March 18, 2003).
4.3	Unaudited consolidated financial statements of the Registrant as at September 30, 2003 and for the nine-month periods ended September 30, 2003 and 2002, together with the notes thereto and including management's discussion and analysis of financial condition and results of operations (incorporated by reference to the Registrant's Report on Form 6-K filed with the SEC on November 3, 2003).
4.4	Information Circular of the Registrant dated March 18, 2003 relating to the Annual Meeting of Shareholders held on April 14, 2003, except the information included in that document relating to the composition of the compensation committee and its report on executive compensation and corporate governance and any performance graph therein (incorporated by reference to the Registrant's Report on Form 6-K filed with the SEC on March 18, 2003).
4.5	Item 18 — Reconciliation with United States Generally Accepted Accounting Principles of the Registrant as at December 31, 2002 and 2001 and for each of the years in the three-year period ended December 31, 2002, together with the auditors' report thereon, and as at September 30, 2003 and for the nine-month periods ended September 30, 2003 and 2002 (incorporated by reference to the Registrant's Report on Form 6-K filed with the SEC on January 15, 2004).
5.1	Consent of KPMG LLP, independent accountants.
*6.1	Powers of Attorney (contained on the signature pages of this Registration Statement).

*Filed previously.

PART III

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

Item 1. *Undertaking*

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by the SEC staff, information relating to the securities registered pursuant to Form F-10 or to transactions in said securities.

Item 2. *Consent to Service of Process*

- (a) Concurrently with the initial filing of this Registration Statement on Form F-10, the Registrant filed with the SEC a written irrevocable consent and power of attorney on Form F-X.
- (b) Any change to the name or address of the agent for service of the Registrant shall be communicated promptly to the SEC by amendment to Form F-X referencing the file number of the relevant registration statement.

Pursuant to the requirements of the Securities Act of 1933, the undersigned has signed this Amendment No. 1 to the Registration Statement solely in the capacity of the duly authorized representative of Ritchie Bros. Auctioneers Incorporated in the United States, in the City of Atlanta, State of Georgia, on this 23rd day of January, 2004.

RITCHIE BROS. AUCTIONEERS INCORPORATED

By:

*

Robert K. Whitsit

EXHIBIT INDEX

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4.5	Item 18 — Reconciliation with United States Generally Accepted Accounting Principles of the Registrant as at December 31, 2002 and 2001 and for each of the years in the three-year period ended December 31, 2002, together with the auditors' report thereon, and as at September 30, 2003 and for the nine-month periods ended September 30, 2003 and 2002 (incorporated by reference to the Registrant's Report on Form 6-K filed with the SEC on January 15, 2004).
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*6.1	Powers of Attorney (contained on the signature pages of this Registration Statement).

*Previously filed.

EXHIBIT 3.1

Ritchie Bros. Auctioneers Incorporated

(amalgamated under the Canada Business Corporation Act)

1,739,130 Common Shares

UNDERWRITING AGREEMENT

Dated: January 10, 2004

TABLE OF CONTENTS

UNDERWRITING AGREEMENT.....	1
SECTION 1. Representations and Warranties.....	3
(a) Representations and Warranties by the Company.....	3
(i) Compliance with Registration Requirements.....	4
(ii) Incorporated Documents.....	4
(iii) Independent Accountants.....	5
(iv) Financial Statements.....	5
(v) No Material Adverse Change in Business.....	5
(vi) Good Standing of the Company.....	6
(vii) Capitalization.....	6
(viii) Authorization of Agreement.....	7
(ix) Description of Securities.....	7
(x) Absence of Defaults and Conflicts.....	7
(xi) Absence of Labor Dispute.....	8
(xii) Absence of Proceedings.....	8
(xiii) Possession of Intellectual Property.....	8
(xiv) Absence of Further Requirements.....	8
(xv) Possession of Licenses and Permits.....	9
(xvi) Title to Property.....	9
(xvii) Investment Company Act.....	9
(xviii) Environmental Laws.....	9
(xix) No Stabilization or Manipulation.....	10
(xx) Registration Rights.....	10
(xxi) Listing.....	10
(xxii) Other Reports and Information.....	10
(xxiii) Taxes.....	10
(xxiv) Insurance.....	11
(xxv) Compliance with Laws.....	11
(xxvi) No Broker.....	11
(xxvii) Non-Arm's Length Transactions.....	11
(xxviii) Internal Controls.....	11
(xxix) Stamp Tax.....	11
(xxx) French Language Documents.....	12
(b) Representations and Warranties by Mr. Ritchie and the Selling Shareholder.....	12
(i) Accurate Disclosure.....	12
(ii) Authorization of Agreements.....	12
(iii) Options.....	13
(iv) Absence of Further Requirements.....	13
(v) Delivery of Securities.....	13
(vi) Brokers.....	13
(vii) Title to Securities.....	13
(viii) Absence of Tax Deficiency.....	14
(ix) No Material Adverse Change in Business.....	14

	(x)	Distribution of Documents and Absence of Price Manipulation.....	14
	(xi)	Absence of Proceedings.....	14
	(xii)	Taxes.....	15
	(c)	Officer's Certificates.....	15
SECTION 2.		Sale and Delivery to Underwriters; Closing.....	15
	(a)	Initial Securities.....	15
	(b)	Option Securities.....	15
	(c)	Payment.....	15
	(d)	Denominations; Registration.....	16
SECTION 3.		Covenants.....	16
	(a)	Covenants of the Company.....	16
	(i)	Fulfillment of Conditions.....	16
	(ii)	Compliance with Securities Regulations and Commission Requests.....	17
	(iii)	Filing of Amendments.....	17
	(iv)	Issuance of Press Releases.....	17
	(v)	Delivery of Filed Documents.....	17
	(vi)	Delivery of Prospectuses.....	18
	(vii)	Continued Compliance with Securities Laws.....	18
	(viii)	Blue Sky Qualifications.....	18
	(ix)	Rule 158.....	18
	(x)	Absence of Price Manipulation.....	19
	(xi)	Restriction on Sale of Securities.....	19
	(xii)	Listing.....	19
	(xiii)	Reporting Requirements.....	19
	(xiv)	PREP Procedures.....	19
	(xv)	Translation Opinions.....	20
	(xvi)	Translation Opinions - Financial Statements.....	20
	(xvii)	Lock-Up Agreements.....	20
	(b)	Covenants of Mr. Ritchie and the Selling Shareholder.....	20
	(i)	Restriction on Sale of Securities.....	20
	(ii)	Absence of Price Manipulation.....	21
	(iii)	Form W-8.....	21
SECTION 4.		Payment of Expenses.....	21
	(a)	Expenses.....	21
	(b)	Termination of Agreement.....	22
SECTION 5.		Conditions of Underwriters' Obligations.....	22
	(a)	Effectiveness of Registration Statement.....	22
	(b)	Opinion of Canadian Counsel to the Company, Mr. Ritchie and the Selling Shareholder.....	22
	(c)	Opinion of U.S. Counsel to the Company, Mr. Ritchie and the Selling Shareholder.....	22
	(d)	Opinion of Canadian Counsel to Underwriters.....	23
	(e)	Opinion of U.S. Counsel to Underwriters.....	23
	(f)	Certificates Relating to Dutch Subsidiaries.....	23
	(g)	Officers' Certificate.....	23

(h)	Mr. Ritchie's Certificate.....	24
(i)	Selling Shareholder's Certificate.....	24
(j)	Accountant's Comfort Letter.....	24
(k)	Bring-down Comfort Letter.....	24
(l)	No Objection.....	24
(m)	Lock-up Agreements.....	24
(n)	No Trading Suspension; Approval of Listing.....	24
(o)	Conditions to Purchase of Option Securities.....	25
	(i) Opinion of Canadian Counsel to the Company, Mr. Ritchie and the Selling Shareholder.....	25
	(ii) Opinion of U.S. Counsel to the Company, Mr. Ritchie and the Selling Shareholder.....	25
	(iii) Opinion of Canadian Counsel to the Underwriters.....	25
	(iv) Opinion of U.S. Counsel to the Underwriters.....	25
	(v) Certificates Relating to Dutch Subsidiaries.....	25
	(vi) Officer's Certificate.....	25
	(vii) Mr. Ritchie's Certificate.....	25
	(viii) Selling Shareholder's Certificate.....	26
	(ix) Bring-down Comfort Letter.....	26
(p)	Additional Documents.....	26
(q)	Termination of Agreement.....	26
SECTION 6.	Indemnification.....	26
	(a) Indemnification of Underwriters, Mr. Ritchie and Selling Shareholder by Company.....	26
	(b) Indemnification of Underwriters and Company by Mr. Ritchie and the Selling Shareholder.....	27
	(c) Indemnification of Mr. Ritchie, the Selling Shareholder and Company by Underwriters....	28
	(d) Actions Against Parties; Notification.....	28
	(e) Contribution.....	29
SECTION 7.	Representations, Warranties and Agreements to Survive Delivery.....	30
SECTION 8.	Termination of Agreement.....	30
	(a) Termination; General.....	30
	(b) Liabilities.....	31
SECTION 9.	Default by One or More of the Underwriters.....	31
SECTION 10.	Agent for Service; Submission to Jurisdiction; Waiver of Immunities.....	32
SECTION 11.	Notices.....	32
SECTION 12.	Parties.....	32
SECTION 13.	GOVERNING LAW AND TIME.....	33
SECTION 14.	Counterparts.....	33
SECTION 15.	Severability.....	33
SECTION 16.	Amendment or Modification.....	33
SECTION 17.	Effect of Headings.....	33

SCHEDULES

Schedule A - List of Underwriters.....	Sch A-1
Schedule B - Pricing Information.....	Sch B-1
Schedule C - List of Significant Subsidiaries.....	Sch C-1
Schedule D - List of Persons and Entities Subject to Lock-up.....	Sch D-1

EXHIBITS

Exhibit A - Form of Opinion of Canadian Counsel to the Company and the Selling Shareholder.....	A-1
Exhibit B - Form of Opinion of U.S. Counsel to the Company and the Selling Shareholder	B-1
Exhibit C - Form of Lock-up Letter	C-1

Ritchie Bros. Auctioneers Incorporated

(amalgamated under the Canada Business Corporations Act)

1,739,130 Common Shares

UNDERWRITING AGREEMENT

January o, 2004

Raymond James Ltd.
CIBC World Markets Inc.
William Blair & Company, L.L.C.
Scotia Capital Inc.
c/o Raymond James Ltd.
2300 - 925 West Georgia Street
Cathedral Place
Vancouver, British Columbia
V6C 3L2

Ladies and Gentlemen:

Each of Ritchie Bros. Auctioneers Incorporated, a company amalgamated under the Canada Business Corporations Act (the "Company"), David E. Ritchie ("Mr. Ritchie") and Warm Springs Investments Ltd., a corporation organized under the laws of British Columbia and controlled by Mr. Ritchie (the "Selling Shareholder"), confirm their agreement with Raymond James Ltd. ("Raymond James"), and each of the other Underwriters named in Schedule A hereto (collectively, the "Underwriters", which term shall also include any underwriter substituted as hereinafter provided in Section 9 hereof), with respect to the sale by the Selling Shareholder and the purchase by the Underwriters, acting severally and not jointly, of the respective numbers of Common Shares, without par value, of the Company ("Common Shares") set forth in said Schedule A and with respect to the grant by the Selling Shareholder to the Underwriters, acting severally and not jointly, of the option described in Section 2(b) hereof to purchase all or any part of 260,870 additional Common Shares to cover over-allotments, if any. The aforesaid 1,739,130 Common Shares (the "Initial Securities") to be purchased by the Underwriters and all or any part of the 260,870 Common Shares subject to the option described in Section 2(b) hereof (the "Option Securities") are hereinafter called, collectively, the "Securities".

The Company, Mr. Ritchie and the Selling Shareholder understand that the Underwriters propose to make a public offering of the Securities in the United States and in each of the provinces

of Canada upon the terms set forth in the U.S. Prospectus (as defined below) and the Canadian Prospectus (as defined below) as soon as the Underwriters deem advisable after this Agreement has been executed and delivered. The Securities will be offered in the United States and Canada through the Underwriters either directly or through their respective U.S. or Canadian registered broker-dealer affiliates.

The Company has prepared and filed with the British Columbia Securities Commission in the province of British Columbia (the "Reviewing Authority") and with the securities regulatory authorities (the "Qualifying Authorities") in each of the other provinces of Canada (together with British Columbia, the "Qualifying Provinces") a preliminary short form base PREP prospectus relating to the Securities (in the English and French languages, as applicable, and including the documents incorporated by reference therein, the "Canadian Preliminary Prospectus") in accordance with the securities laws of the Qualifying Provinces and the rules, regulations, blanket rulings, instruments, orders and notices made thereunder and the local, uniform and national policies published by the securities regulatory authorities therein (collectively, as applied and interpreted by the securities regulatory authority in each Qualifying Province, "Canadian Securities Laws"). The Company has filed the Canadian Preliminary Prospectus with the Reviewing Authority and the Qualifying Authorities pursuant to National Policy 43-201 - Mutual Reliance Review-System for Prospectuses and Annual Information Forms and its related memorandum of understanding, and the Reviewing Authority is acting as principal regulator. The Company has also filed the Canadian Preliminary Prospectus with the Reviewing Authority and the Qualifying Authorities pursuant to National Instrument 44-103

- Post-Receipt Pricing (the "PREP Procedures"). The Reviewing Authority has issued a preliminary Mutual Reliance Review System Decision Document for the Canadian Preliminary Prospectus. The Company has also prepared and filed with the United States Securities and Exchange Commission (the "SEC") a registration statement on Form F-10 (File No. 333-111948) covering the registration of the Securities under the Securities Act of 1933, as amended (the "1933 Act"), including the Canadian Preliminary Prospectus (with such deletions therefrom and additions thereto as are permitted or required by Form F-10 and the applicable rules and regulations of the SEC) (the "U.S. Preliminary Prospectus").

In addition, the Company (A) has prepared and filed (1) with the Reviewing Authority and Qualifying Authorities, a final short form base PREP prospectus relating to the Securities (in the English and French languages, as applicable, and including the documents incorporated by reference therein, the "Base PREP Prospectus") which omits the PREP Information (as hereinafter defined) in accordance with the PREP Procedures and (2) with the SEC, an amendment to such registration statement on Form F-10, including the Base PREP Prospectus (with such deletions therefrom and additions thereto as are permitted or required by Form F-10 and the applicable rules and regulations of the SEC), and (B) will prepare and file, promptly after the execution and delivery of this Agreement, (1) with the Reviewing Authority and the Qualifying Authorities, in accordance with the PREP Procedures, a supplemented PREP prospectus setting forth the PREP Information (in the English and French languages, as applicable, and including the documents incorporated by reference therein, the "Supplemented PREP Prospectus"), and (2) with the SEC, in accordance with General Instruction II.L. of Form F-10, the Supplemented PREP Prospectus (with such deletions therefrom and additions thereto as are permitted or required by Form F-10 and the applicable rules and regulations of the SEC) (the "U.S. Supplemented Prospectus"). The information included in the

Supplemented PREP Prospectus that is omitted from the Base PREP Prospectus and which is deemed under the PREP Procedures to be incorporated by reference in the Base PREP Prospectus as of the date of the Supplemented PREP Prospectus is referred to herein as the "PREP Information".

Each prospectus relating to the Securities (A) used in the United States (1) before the time the registration statement on Form F-10 became effective or (2) after such effectiveness and prior to the execution and delivery of this Agreement or (B) used in Canada (1) before a final Mutual Reliance Review System Decision Document for the Base PREP Prospectus had been received from the Reviewing Authority on behalf of itself and the Qualifying Authorities or (2) after such final Mutual Reliance Review System Decision Document has been received and prior to the execution and delivery of this Agreement, in each case, including the documents incorporated by reference therein, that omits the PREP Information, is herein called a "preliminary prospectus".

The registration statement on Form F-10, including the exhibits thereto and the documents incorporated by reference therein, as amended at the time it became effective is herein called the "Registration Statement". The prospectus included in the Registration Statement at the time it became effective, including the documents incorporated by reference therein, is herein called the "U.S. Prospectus", except that if a U.S. Supplemented Prospectus containing the PREP Information is thereafter furnished to the Underwriters after the execution of this Agreement (whether or not such prospectus is required to be filed pursuant to the rules and regulations of the SEC under the 1933 Act (the "1933 Act Regulations")), the term "U.S. Prospectus" shall refer to such U.S. Supplemented Prospectus, including the documents incorporated by reference therein.

The Base PREP Prospectus for which a final Mutual Reliance Review System Decision Document has been received from the Reviewing Authority on behalf of itself and the Qualifying Authorities, including the documents incorporated by reference therein, is herein referred to as the "Canadian Prospectus", except that, if, after the execution of this Agreement, a Supplemented PREP Prospectus containing the PREP Information is thereafter filed with the Reviewing Authority and the Qualifying Authorities, the term "Canadian Prospectus" shall refer to such Supplemented PREP Prospectus, including the documents incorporated by reference therein. Any amendment to the Canadian Prospectus, any amended or supplemental prospectus or auxiliary material, information, evidence, return, report, application, statement or document that may be filed by or on behalf of the Company under the securities laws of the Qualifying Provinces prior to the Closing Time (as hereinafter defined) or, where such document is deemed to be incorporated by reference into the Base PREP Prospectus, prior to the expiry of the period of distribution of the Securities, is referred to herein collectively as the "Supplementary Material".

The Company has also prepared and filed with the SEC an appointment of agent for service of process upon the Company on Form F-X in conjunction with the filing of the Registration Statement (the "Form F-X").

SECTION 1. Representations and Warranties.

(a) Representations and Warranties by the Company. The Company represents and warrants to each Underwriter as of the date hereof, as of the Closing Time referred to in Section 2(c)

hereof, and as of each Date of Delivery (if any) referred to in Section 2(b) hereof, and agrees with each Underwriter, as follows:

(i) **Compliance with Registration Requirements.** The Company is qualified to file a prospectus in the form of a short form prospectus pursuant to the requirements of National Instrument 44-101-Short Form Prospectus Distribution and the exemption order granted thereunder. The Company meets the general eligibility requirements for use of Form F-10 under the 1933 Act. A final Mutual Reliance Review System Decision Document has been received from the Reviewing Authority on behalf of itself and the Qualifying Authorities in respect of the Base PREP Prospectus and no order suspending the distribution of the Securities has been issued by the Reviewing Authority or any of the Qualifying Authorities. The Registration Statement has become effective under the 1933 Act and no stop order suspending the effectiveness of the Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated by the SEC, and any request on the part of the SEC for additional information has been complied with. No order preventing or suspending the use of the Canadian Prospectus has been issued by the Reviewing Authority or any of the Qualifying Authorities.

At the time the Registration Statement became effective under the 1933 Act and at all times subsequent thereto up to and including the Closing Time (as defined in Section 2(c)) (and if any Option Securities are purchased, at the Date of Delivery (as defined in Section 2(b))): (A) the Canadian Prospectus complied and will comply in all material respects with Canadian Securities Laws (including the PREP Procedures); (B) the U.S. Prospectus conformed and will conform to the Canadian Prospectus except for such deletions therefrom and additions thereto as are permitted or required by Form F-10 and the applicable rules and regulations of the SEC; (C) the Registration Statement and any amendments or supplements thereto complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations; (D) neither the Registration Statement nor any amendment or supplement thereto contained or will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and (E) each of the U.S. Prospectus, the Canadian Prospectus and any Supplementary Material or any amendment or supplement thereto, constituted and will constitute full, true and plain disclosure of all material facts relating to the Company and the Securities, and each of the U.S. Prospectus, the Canadian Prospectus and any Supplementary Material or any amendment or supplement thereto, did not and will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties contained in clauses (D) and (E) above do not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by any Underwriter through Raymond James expressly for use in the Registration Statement, the U.S. Prospectus, the Canadian Prospectus or any Supplementary Material.

(ii) **Incorporated Documents.** Each document filed or to be filed with the Reviewing Authority and the Qualifying Authorities and incorporated or deemed to be incorporated by

reference in the Canadian Prospectus complied or will comply when so filed in all material respects with Canadian Securities Laws, and such documents did not and will not include at the time of their filing an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were or are made, not misleading.

The documents incorporated or deemed to be incorporated by reference in the Registration Statement and the U.S. Prospectus, at the time they were or hereafter are filed with the SEC, complied or will comply, as applicable, in all material respects with the requirements of the Securities Exchange Act of 1934, as amended (the "1934 Act"), and the rules and regulations of the SEC thereunder (the "1934 Act Regulations"), and, when read together with the other information in the U.S. Prospectus, at the time the Registration Statement became effective, at the time the U.S. Prospectus was issued and at the Closing Time (and, if any Option Securities are purchased, at the Date of Delivery) did not and will not include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

(iii) Independent Accountants. The accountants who audited the consolidated financial statements included or incorporated by reference in the U.S. Prospectus and the Canadian Prospectus, are independent public accountants as required by the 1933 Act and the 1933 Act Regulations and the Sarbanes-Oxley Act of 2002 and are independent with respect to the Company within the meaning of the Canada Business Corporations Act and applicable Canadian Securities Laws.

(iv) Financial Statements. The consolidated financial statements included or incorporated by reference in the U.S. Prospectus and the Canadian Prospectus, together with the related schedules, if any, and notes, present fairly the financial position of the Company and its consolidated subsidiaries at the dates indicated and the results of operations and retained earnings and cash flows of the Company and its consolidated subsidiaries for the periods specified; such financial statements have been prepared in accordance with generally accepted accounting principles in Canada ("Canadian GAAP") applied on a consistent basis (except, in the case of interim financial statements, for normal year-end adjustments) throughout the periods involved and have been reconciled to generally accepted accounting principles in the United States of America ("U.S. GAAP") in accordance with Item 18 of Form 20-F under the 1934 Act. The summary consolidated financial information included in the U.S. Prospectus and the Canadian Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited consolidated financial statements incorporated by reference into the U.S. Prospectus and the Canadian Prospectus.

(v) No Material Adverse Change in Business. Since the respective dates as of which information is given in the U.S. Prospectus, the Canadian Prospectus and the Supplementary Material, except as otherwise stated therein, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not

arising in the ordinary course of business (a "Material Adverse Effect"), (B) there have been no transactions entered into by the Company or any of its subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its subsidiaries considered as one enterprise, and (C) except for regular quarterly dividends on the Common Shares in amounts per share that are consistent with past practice, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its share capital.

(vi) Good Standing of the Company. The Company is a corporation duly amalgamated, validly existing and in good standing under the laws of Canada and has the corporate power and authority to own, lease and operate its properties and to conduct its business as described in the U.S. Prospectus and the Canadian Prospectus; is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify or to be in good standing would not result in a Material Adverse Effect. Attached hereto as Schedule C is a list of the Company's wholly-owned or majority-owned subsidiaries which constitute a "significant subsidiary" of the Company (as that term is defined under Rule 1-02 of Regulation S-X under the 1934 Act) (each a "Significant Subsidiary" and, collectively, the "Significant Subsidiaries"). Each Significant Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, has the corporate power and authority to own, lease and operate its properties and to conduct its business as described in the U.S. Prospectus and the Canadian Prospectus; and each Significant Subsidiary is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify or to be in good standing would not result in a Material Adverse Effect.

(vii) Capitalization. The authorized, issued and outstanding share capital of the Company is as set forth in the U.S. Prospectus and the Canadian Prospectus under the caption "Description of Share Capital" (except for any subsequent issuances pursuant to this Agreement or pursuant to the exercise of convertible securities or options referred to in the U.S. Prospectus and the Canadian Prospectus). All of the issued and outstanding shares in the capital of the Company, including the Securities to be purchased by the Underwriters from the Selling Shareholder, have been duly authorized and validly issued and are fully paid and non-assessable and have been issued in compliance with the 1933 Act and the 1933 Act Regulations and Canadian Securities Laws; none of the outstanding shares in the capital of the Company, including the Securities to be purchased by the Underwriters from the Selling Shareholder, were issued in violation of the preemptive or other similar rights of any shareholder of the Company. Except as disclosed in the U.S. Prospectus and the Canadian Prospectus and the consolidated financial statements of the Company and related notes thereto incorporated by reference in the U.S. Prospectus and the Canadian Prospectus, the Company does not have any options or warrants to purchase, or any pre-emptive rights or other rights to subscribe for or to purchase any securities or obligations convertible into, or any contracts or commitments to issue or sell, any of its share capital or any such options,

rights, convertible securities or obligations, other than stock options granted by the Company in the ordinary course pursuant to its stock option plan subsequent to September 30, 2003. The description of the Company's stock option and other stock plans or arrangements, and the options or other rights granted thereunder, as set forth in the U.S. Prospectus and the Canadian Prospectus, accurately and fairly presents the information required to be disclosed with respect to such plans, arrangements, options and rights. Except as disclosed in the U.S. Prospectus and the Canadian Prospectus, to the knowledge of the Company, there are no agreements, arrangements or understandings among or between any shareholder of the Company with respect to the Company or the voting or disposition of the Company's Common Shares that will survive the sale of the Securities pursuant to this Agreement. All of the issued and outstanding shares in the capital of each Significant Subsidiary have been duly authorized and validly issued and are fully paid and non-assessable and are owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity; none of the outstanding shares in the capital of any of the Significant Subsidiaries were issued in violation of the preemptive or other similar rights of any shareholder of such Significant Subsidiary.

(viii) Authorization of Agreement. The Company has the corporate power and authority to execute, deliver and perform its obligations under this Agreement and this Agreement has been duly authorized, executed and delivered by the Company.

(ix) Description of Securities. The Securities conform to all statements relating thereto contained in the U.S. Prospectus and the Canadian Prospectus and such description conforms to the rights set forth in the instruments defining the same; no holder of the Securities will be subject to personal liability solely by reason of being such a holder.

(x) Absence of Defaults and Conflicts. Neither the Company nor any of its subsidiaries is in violation of its charter or by-laws or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease, license or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which it or any of its subsidiaries may be bound, or to which any of the property or assets of the Company or any of its subsidiaries is subject (collectively, "Agreements and Instruments") except for such defaults that would not result in a Material Adverse Effect. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein and in the U.S. Prospectus and the Canadian Prospectus and compliance by the Company with its obligations hereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any subsidiary pursuant to, the Agreements and Instruments (except for such conflicts, breaches or defaults, Repayment Events or liens, charges or encumbrances that would not result in a Material Adverse Effect), nor will such action result in (i) any violation or conflict with the provisions of the charter or by-laws of the Company or any subsidiary or (ii) any violation or conflict with the provisions of any applicable law, statute, rule, regulation, judgment, order, writ or

decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any subsidiary or any of their assets, properties or operations, except in the case of (ii), such violations or conflict as would not individually or in the aggregate result in a Material Adverse Effect. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any subsidiary.

(xi) Absence of Labor Dispute. No labor dispute with the employees of the Company or any subsidiary exists or, to the knowledge of the Company, is imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or any subsidiary's principal suppliers, customers or contractors, which, in either case, may reasonably be expected to result in a Material Adverse Effect.

(xii) Absence of Proceedings. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency, governmental instrumentality or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against or affecting the Company or any subsidiary, which is required to be disclosed in the U.S. Prospectus or the Canadian Prospectus, or which might reasonably be expected to result in a Material Adverse Effect, or which might reasonably be expected to materially and adversely affect the properties or assets thereof or the consummation of the transactions contemplated in this Agreement or the performance by the Company of its obligations hereunder; the aggregate of all pending legal or governmental proceedings to which the Company or any subsidiary is a party or of which any of their respective property or assets is the subject which are not described in the U.S. Prospectus or the Canadian Prospectus, including ordinary routine litigation incidental to the business of the Company, could not reasonably be expected to result in a Material Adverse Effect.

(xiii) Possession of Intellectual Property. The Company and its subsidiaries own or possess, or can acquire on reasonable terms, adequate patents, patent rights, licenses, inventions, copyrights, know how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property (collectively, "Intellectual Property") necessary to carry on the business now operated by them, and neither the Company nor any of its subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company or any of its subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would result in a Material Adverse Effect.

(xiv) Absence of Further Requirements. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the performance by the Company of its obligations hereunder, in connection with the offering or sale of the Securities hereunder or

the consummation of the transactions contemplated by this Agreement, except (A) such as have been already obtained or as may be required under the 1933 Act or the 1933 Act Regulations or state securities laws and (B) such as have been obtained, or as may be required, under Canadian Securities Laws or the Canada Business Corporations Act, as applicable.

(xv) Possession of Licenses and Permits. Except in each case as would not individually or in the aggregate result in a Material Adverse Effect, (A) the Company and its subsidiaries possess such permits, certificates, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate federal, provincial, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by them; (B) the Company and its subsidiaries are in compliance with the terms and conditions of all such Governmental Licenses; (C) all of the Governmental Licenses are valid and in full force and effect; and (D) neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses.

(xvi) Title to Property. The Company and its subsidiaries have good and marketable title to all real property owned by the Company and its subsidiaries and good title to all other properties owned by them in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except such as (A) are described in the U.S. Prospectus and the Canadian Prospectus or (B) do not, singly or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or any of its subsidiaries; and all of the leases and subleases material to the business of the Company and its subsidiaries, considered as one enterprise, and under which the Company or any of its subsidiaries holds properties described in the U.S. Prospectus and the Canadian Prospectus, are in full force and effect, and neither the Company nor any subsidiary has any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any subsidiary under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or such subsidiary to the continued possession of the leased or subleased, premises under any such lease or sublease.

(xvii) Investment Company Act. The Company is not an "investment company" or an entity "controlled" by an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended (the "1940 Act").

(xviii) Environmental Laws. Except as described in the U.S. Prospectus and the Canadian Prospectus and except as would not, singly or in the aggregate, result in a Material Adverse Effect, to the knowledge of the Company, after due inquiry (A) neither the Company nor any of its subsidiaries is in violation of any federal, provincial, state, local, municipal or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or civil law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation,

laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "Hazardous Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "Environmental Laws"), (B) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are in compliance with their requirements, (C) there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Laws against the Company or any of its subsidiaries and (D) there are no events or circumstances that might reasonably be expected to form the basis of an order for clean up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of its subsidiaries relating to Hazardous Materials or any Environmental Laws.

(xix) No Stabilization or Manipulation. Neither the Company nor, to its knowledge, any of its officers, directors or affiliates, has taken or will take, directly or indirectly, any action designed to, or that might be reasonably expected to, cause or result in stabilization or manipulation of the price of the Common Shares.

(xx) Registration Rights. There are no persons with registration rights or other similar rights to have any securities registered or qualified for distribution pursuant to the Registration Statement, the Canadian Prospectus or otherwise registered by the Company under the 1933 Act or qualified for distribution under any Canadian Securities Laws.

(xxi) Listing. The Common Shares are listed on the New York Stock Exchange (the "NYSE") and have been conditionally approved for listing on the Toronto Stock Exchange (the "TSX"), subject to the Company fulfilling all of the requirements of the TSX on or before April 14, 2004.

(xxii) Other Reports and Information. There are no reports or information that in accordance with the requirements of the Reviewing Authority or the Qualifying Authorities must be made publicly available in connection with the offering of the Securities that have not been made publicly available as required; no material change reports or other documents have been filed on a confidential basis with the Reviewing Authority or the Qualifying Authorities since December 31, 2002; there are no documents required to be filed with the Reviewing Authority or the Qualifying Authorities in connection with the Canadian Prospectus that have not been filed as required; there are no contracts, documents or other materials required to be described or referred to in the Registration Statement, the U.S. Prospectus or the Canadian Prospectus or to be filed as exhibits to the Registration Statement that are not described, referred to or filed as required.

(xxiii) Taxes. The Company and its subsidiaries have filed all material United States and Canadian federal, state, provincial, local and foreign income, payroll, franchise and other tax returns and have paid all material taxes shown as due thereon or otherwise due with respect to any of their properties or any transactions to which they are a party, and there is

no tax deficiency that has been, or is reasonably likely to be, asserted against the Company or any of its subsidiaries or any of their properties or assets that would result in a Material Adverse Effect.

(xxiv) Insurance. Except as disclosed in the U.S. Prospectus and the Canadian Prospectus, the Company and its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are, to the knowledge of the Company, customary in the businesses in which they engage or propose to engage; the Company and its subsidiaries have no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not result in a Material Adverse Effect.

(xxv) Compliance with Laws. The Company and its subsidiaries are in all material respects in compliance with, and conduct their businesses in all material respects in conformity with, all applicable U.S. and Canadian federal, state, provincial, local and foreign laws, rules and regulations, including the Sarbanes-Oxley Act of 2002, and all applicable ordinances, judgments, decrees, orders, units and injunctions of any court or governmental agency or body or the rules and regulations of the NYSE or the TSX. There has not been any reportable disagreement within the meaning of National Policy Statement No. 31 of the Canadian Securities Administrators with the auditors of the Company.

(xxvi) No Broker. There is no broker, finder or other party that is entitled to receive from the Company any brokerage or finder's fee or other fee or commission as a result of any of the transactions contemplated by this Agreement.

(xxvii) Non-Arm's Length Transactions. To the knowledge of the Company, after due inquiry, except as disclosed in writing to the Underwriters or in the U.S. Prospectus and the Canadian Prospectus, neither the Company nor any subsidiary is a party to any contract, agreement or understanding with any officer, director, employee or any other person not dealing at arm's length with the Company or any subsidiary which is required to be disclosed under the 1933 Act or Canadian Securities Laws.

(xxviii) Internal Controls. The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in Canada and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general, or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(xxix) Stamp Tax. No stamp duty, registration or documentary taxes, duties or similar charges are payable under the federal laws of Canada or the laws of the Province of British Columbia in connection with the sale and delivery to the Underwriters of the Securities or

the authorization, execution, delivery and performance of this Agreement or the resale of Securities by an Underwriter to U.S. residents.

(xxx) French Language Documents. The French language version of each of the Base PREP Prospectus and the Supplemented PREP Prospectus, together with each document incorporated therein by reference, including the financial statements and other financial data contained therein, is in all material respects a complete and proper translation of the English language versions thereof.

(b) Representations and Warranties by Mr. Ritchie and the Selling Shareholder. Mr. Ritchie, on behalf of himself and on behalf of the Selling Shareholder, represents and warrants to each Underwriter as of the date hereof, and as of the Closing Time referred to in Section 2(c) hereof, and, if the Selling Shareholder is selling Option Securities on a Date of Delivery (as defined in Section 2(b) hereof), as of each Date of Delivery, and acknowledges that each Underwriter is relying upon such representations and warranties in connection with its execution and delivery of this Agreement and the purchase of the Securities, as the case may be, as follows:

(i) Accurate Disclosure. To the knowledge of Mr. Ritchie and the Selling Shareholder, the representations and warranties of the Company contained in Section 1(a) hereof are true and correct; Mr. Ritchie, on behalf of himself and on behalf of the Selling Shareholder, has reviewed and is familiar with the Registration Statement, the Canadian Prospectus, the U.S. Prospectus and any Supplementary Material and, to the knowledge of Mr. Ritchie and the Selling Shareholder, (A) neither the Registration Statement nor any amendment or supplement thereto contained an untrue statement of a material fact required to be stated therein or necessary to make the statements therein not misleading, and (B) each of the Canadian Prospectus, and Supplementary Material or any amendment or supplement thereto constituted full, true and plain disclosure of all material facts relating to the Company and the Securities, and each of the U.S. Prospectus, the Canadian Prospectus and any Supplementary Material or any amendment or supplement thereto did not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and all information with respect to each of Mr. Ritchie and the Selling Shareholder contained in the Registration Statement, Canadian Prospectus, U.S. Prospectus or any Supplementary Material or any amendment or supplement thereto complied in all material respects with all applicable provisions of Canadian Securities Laws and the 1933 Act and 1933 Act Regulations.

(ii) Authorization of Agreements. Mr. Ritchie has the full right, power and authority to enter into this Agreement personally and on behalf of the Selling Shareholder and to sell, transfer and deliver the Securities to be sold by the Selling Shareholder hereunder. The execution and delivery of this Agreement and the sale and delivery of the Securities to be sold by the Selling Shareholder and the consummation of the transactions contemplated herein and compliance by Mr. Ritchie and the Selling Shareholder with their respective obligations hereunder do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a material breach of, or default under, or result in the creation or imposition of any tax, lien, charge or encumbrance upon the

Securities to be sold by the Selling Shareholder or any property or assets of either Mr. Ritchie or the Selling Shareholder pursuant to, any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, license, lease or other agreement or instrument to which either Mr. Ritchie or the Selling Shareholder is a party or by which either Mr. Ritchie or the Selling Shareholder may be bound, or to which any of the property or assets of either Mr. Ritchie or the Selling Shareholder is subject, nor will such action result in any material violation of the provisions of any applicable treaty, law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over either Mr. Ritchie or the Selling Shareholder or any of their respective properties.

(iii) Options. Except as created hereby, there are no outstanding rights, warrants or options to acquire any of the Securities to be sold by the Selling Shareholder.

(iv) Absence of Further Requirements. The execution and delivery of this Agreement by each of Mr. Ritchie and the Selling Shareholder and the performance by each of Mr. Ritchie and the Selling Shareholder of the transactions contemplated herein do not and will not require the filing with, or consent, license, order, approval, authorization, registration or qualification of or decree of any court or any governmental authority or agency, stock exchange (including, for greater certainty, the NYSE and the TSX) or other third party (domestic or foreign), except (i) such as have been obtained, and (ii) such as may be required (and shall be obtained as provided in this Agreement) under Canadian Securities Laws and the 1933 Act and 1933 Act Regulations and such as may be required under U.S. state securities, or "Blue Sky," laws.

(v) Delivery of Securities. To the knowledge of each of Mr. Ritchie and the Selling Shareholder, the Securities to be sold by the Selling Shareholder have been validly issued as fully paid and non-assessable shares. Certificates for the Initial Securities and the Option Securities, if applicable, to be sold by the Selling Shareholder pursuant to this Agreement, in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank with signatures guaranteed, will be delivered to the New York City office of the Depository Trust Company ("DTC") not later than 10:00 am (Eastern time) on the business day prior to the Closing Date or the relevant Date of Delivery, as the case may be, for delivery to the Underwriters pursuant to this Agreement.

(vi) Brokers. Other than as contemplated by this Agreement, there is no person, firm or corporation which has been engaged by either Mr. Ritchie or the Selling Shareholder to act for either Mr. Ritchie or the Selling Shareholder and which is entitled to any brokerage or finder's fee in connection with this Agreement or any of the transactions contemplated hereunder, and in the event any such person, firm or corporation establishes a claim for any fee from the Underwriters, Mr. Ritchie and the Selling Shareholder each jointly and severally covenant to indemnify and hold harmless the Underwriters with respect thereto and with respect to all costs reasonably incurred in the defense thereof.

(vii) Title to Securities. The Selling Shareholder now has, and will at the Closing Time and, if any Option Securities are purchased from the Selling Shareholder, on the Date

of Delivery, have, good and marketable title to the Initial Securities and the Option Securities, if applicable, to be sold by the Selling Shareholder hereunder, free and clear of any security interest, mortgage, pledge, lien, charge, claim or encumbrance of any kind, other than pursuant to this Agreement. Each of Mr. Ritchie and the Selling Shareholder, as applicable, has full legal right and power, and all authorization and approvals required by law, to sell, transfer and deliver such Securities to the Underwriters hereunder and to make the representations, warranties and agreements made by Mr. Ritchie and the Selling Shareholder herein. Upon the delivery of such Securities and payment of the purchase price therefor as herein contemplated, assuming each such Underwriter has no notice of any adverse claim, each of the Underwriters will receive good and marketable title to such Securities purchased by it from the Selling Shareholder, free and clear of any security interest, mortgage, pledge, lien, charge, claim, equity or encumbrance of any kind.

(viii) Absence of Tax Deficiency. At the Closing Time and on any Date of Delivery, if applicable, all stock transfer or other taxes, if any (other than income taxes), which are required to be paid in connection with the sale and transfer of the Initial Securities and the Option Securities, if applicable, to be sold by the Selling Shareholder to the several Underwriters hereunder will have been fully paid or provided for by either Mr. Ritchie or the Selling Shareholder and all laws imposing such taxes will have been fully complied with by Mr. Ritchie and the Selling Shareholder.

(ix) No Material Adverse Change in Business. Neither Mr. Ritchie nor the Selling Shareholder has any knowledge of any fact or condition not set forth in the Canadian Prospectus and the U.S. Prospectus which has had a Material Adverse Effect, and the sale of the Securities proposed to be sold by the Selling Shareholder is not prompted by any such knowledge.

(x) Distribution of Documents and Absence of Price Manipulation. Other than as permitted by Canadian Securities Laws and the 1933 Act and 1933 Act Regulations, neither Mr. Ritchie nor the Selling Shareholder has distributed or will distribute any preliminary prospectus, the Canadian Prospectus, the U.S. Prospectus, the Registration Statement, any Supplemental Material, or any other offering material in connection with the offering or sale of the Securities. Neither Mr. Ritchie nor the Selling Shareholder has taken, or will take, directly or indirectly, any action designed to or which has constituted, or which might reasonably be expected to cause or result in, under Canadian Securities Laws, Regulation M under the 1934 Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(xi) Absence of Proceedings. There is not pending or, to the knowledge of each of Mr. Ritchie and the Selling Shareholder, threatened against either Mr. Ritchie or the Selling Shareholder any action, suit or proceeding which (A) questions the validity of this Agreement or of any action taken or to be taken by either Mr. Ritchie or the Selling Shareholder pursuant to or in connection with this Agreement or (B) is required to be disclosed in the Registration Statement, the Canadian Prospectus or the U.S. Prospectus.

(xii) Taxes. No stamp or other issuance or transfer taxes or duties or withholding taxes are payable by or on behalf of the Underwriters under the federal laws of Canada or the laws of the Province of British Columbia in connection with (A) the sale and delivery by the Selling Shareholder to or for the respective accounts of the Underwriters of the Securities to be sold by the Selling Shareholder; or (B) the sale and delivery outside Canada by the Underwriters of the Securities to be sold by the Selling Shareholder to the initial purchasers thereof.

(c) Officer's Certificates. Any certificate signed by any officer of the Company or by or on behalf of either Mr. Ritchie or the Selling Shareholder delivered to the Underwriters or to counsel for the Underwriters shall be deemed a representation and warranty by the Company, Mr. Ritchie or the Selling Shareholder, as the case may be, to each Underwriter as to the matters covered thereby.

SECTION 2. Sale and Delivery to Underwriters; Closing.

(a) Initial Securities. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Selling Shareholder agrees to sell the Initial Securities to the Underwriters, and each Underwriter, severally and not jointly, agrees to purchase from the Selling Shareholder, at the price per share set forth in Schedule B, the number of Initial Securities set forth in Schedule A opposite the name of such Underwriter, plus any additional number of Initial Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 9 hereof.

(b) Option Securities. In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Selling Shareholder hereby grants an option to the Underwriters, severally and not jointly, to purchase up to an additional 260,870 Common Shares at the price per share set forth in Schedule B. The option hereby granted will expire 30 days after the Closing Date and may be exercised in whole or in part from time to time only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Initial Securities upon notice by Raymond James, on behalf of the Underwriters, to the Company and the Selling Shareholder setting forth the number of Option Securities as to which the several Underwriters are then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of delivery (a "Date of Delivery") shall be determined by the Underwriters, but shall not be earlier than two or later than seven full business days after the exercise of said option, nor in any event prior to the Closing Date, as hereinafter defined. If the option is exercised as to all or any portion of the Option Securities, each of the Underwriters, acting severally and not jointly, will purchase that proportion of the total number of Option Securities then being purchased which the number of Initial Securities set forth in Schedule A opposite the name of such Underwriter bears to the total number of Initial Securities, subject in each case to such adjustments as the Underwriters in their discretion shall make to eliminate any sales or purchases of fractional shares.

(c) Payment. Payment of the purchase price for the Initial Securities shall be made at the Vancouver offices of McCarthy Tetrault, or at such other place as shall be agreed upon by Raymond James on behalf of the Underwriters, and the Selling Shareholder, at 9:00 A.M. (Eastern time) on the third (fourth, if the pricing occurs after 4:30 P.M. (Eastern Time) on any given day) business day

after the date hereof (unless postponed in accordance with the provisions of Section 9, the "Closing Date"), or such other time not later than ten business days after the date hereof as shall be agreed upon by Raymond James, on behalf of the Underwriters, and the Selling Shareholder (such time and date of payment and delivery being herein called the "Closing Time").

In addition, in the event that any or all of the Option Securities are purchased by the Underwriters, payment of the purchase price for such Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by Raymond James, on behalf of the Underwriters, and the Selling Shareholder, on each Date of Delivery as specified in the notice from Raymond James, on behalf of the Underwriters, to the Company and the Selling Shareholder.

Delivery of the Initial Securities and the Option Securities on the Closing Date or the Date of Delivery, as applicable, shall be made to the Underwriters through the facilities of DTC for the respective accounts of the various Underwriters. Payment shall be made to the Selling Shareholder by wire transfer of immediately available (same day) funds to the bank account designated by the Selling Shareholder not less than 24 hours prior to the Closing Time or relevant Date of Delivery, against delivery to the Underwriters for the respective accounts of the Underwriters of certificates for the Securities to be purchased by them. It is understood that each Underwriter has authorized Raymond James, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Initial Securities and the Option Securities, if any, which it has agreed to purchase. Payment to the Selling Shareholder shall be made in U.S. dollars, as set forth in Schedule B hereto, or as may be agreed to by Raymond James, on behalf of the Underwriters, and the Selling Shareholder. Raymond James, individually and not as representative of the Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Initial Securities or the Option Securities, if any, to be purchased by any Underwriter whose funds have not been received by the Closing Time, or the relevant Date of Delivery, as the case may be, but such payment shall not relieve such Underwriter from its obligations hereunder.

(d) Denominations; Registration. Certificates for the Initial Securities and the Option Securities, if any, will be in such denominations and registered in such names as the Underwriters may request in writing at least two full business days before the Closing Time or the relevant Date of Delivery, as the case may be. The Initial Securities and the Option Securities, if any, will be made available for examination by the Underwriters in the City of New York, at the office of DTC or its designated custodian not later than 10:00 A.M. (Eastern time) on the business day prior to the Closing Date or the relevant Date of Delivery, as the case may be.

SECTION 3. Covenants.

(a) Covenants of the Company. The Company covenants and agrees with each Underwriter as follows:

(i) Fulfillment of Conditions. The Company will use its commercially reasonable best efforts to fulfill, at or prior to the Closing Date or the Date of Delivery, if applicable, each of the conditions set out in Section 5 hereof.

(ii) Compliance with Securities Regulations and Commission Requests. The Company will comply with the requirements of the PREP Procedures and General Instruction II.L. of Form F-10; and will notify the Underwriters promptly, and confirm the notice in writing, (i) when any post-effective amendment to the Registration Statement shall have been filed with the SEC or shall have become effective, and when any supplement to the U.S. Prospectus or the Canadian Prospectus or any amended U.S. Prospectus or Canadian Prospectus or any Supplementary Material shall have been filed, (ii) of the receipt of any comments from the Reviewing Authority, any Qualifying Authority or the SEC, (iii) of any request by the Reviewing Authority to amend or supplement the Base PREP Prospectus or the Canadian Prospectus or for additional information or of any request by the SEC to amend the Registration Statement or to amend or supplement the U.S. Prospectus or for additional information, (iv) of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the institution or, to the knowledge of the Company, threatening of any proceedings for any such purpose, and (v) of the issuance by the Reviewing Authority, any Qualifying Authority or any stock exchange of any order having the effect of ceasing or suspending the distribution of the Securities or the trading in the securities of the Company, or of the institution or, to the knowledge of the Company, threatening of any proceedings for any such purpose. The Company will use every reasonable effort to prevent the issuance of any such stop order or of any order preventing or suspending such use or such order ceasing or suspending the distribution of the Securities or the trading in the securities of the Company and, if any such order is issued, to obtain the lifting thereof at the earliest possible time.

(iii) Filing of Amendments. The Company will not at any time file or make any amendment to the Registration Statement, any amendment or supplement to the Base PREP Prospectus, or any amendment or supplement to any part of the prospectus included in the Registration Statement at the time it becomes effective, the U.S. Supplemented Prospectus, the Supplemented PREP Prospectus or any Supplementary Material, of which Raymond James, on behalf of the Underwriters, shall not have previously been advised and furnished a copy or to which Raymond James, on behalf of the Underwriters, shall have objected, acting reasonably.

(iv) Issuance of Press Releases. The Company will not, prior to the Closing Time, issue any press release of which Raymond James, on behalf of the Underwriters, shall not have previously been advised and furnished a copy or to which Raymond James, on behalf of the Underwriters, shall have objected, acting reasonably.

(v) Delivery of Filed Documents. The Company has furnished or will deliver to each of the Underwriters, without charge, a copy of the Canadian Preliminary Prospectus, the Base PREP Prospectus, the Canadian Prospectus, and any Supplementary Material, approved, signed and certified as required by Canadian Securities Laws and signed copies of the Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein) and signed copies of all consents and certificates of experts and the Form F-X.

(vi) Delivery of Prospectuses. The Company has delivered, or caused to be delivered to each Underwriter, without charge, as many copies of each U.S. Preliminary Prospectus and Canadian Preliminary Prospectus as such Underwriter has reasonably requested, and the Company hereby consents to the use of such copies for the purposes permitted by the 1933 Act and applicable Canadian Securities Laws. The Company will deliver to each Underwriter, without charge, during the period when the U.S. Prospectus is required to be delivered under the 1933 Act or the 1934 Act and during the period when the Canadian Prospectus is required to be delivered under the securities laws of the Qualifying Provinces, but no later than the second business day after the date hereof, such number of copies of the U.S. Prospectus and Canadian Prospectus, respectively (each as supplemented or amended) as such Underwriter may reasonably request.

(vii) Continued Compliance with Securities Laws. The Company will comply with the 1933 Act and the 1933 Act Regulations and Canadian Securities Laws so as to permit the completion of the distribution of the Securities as contemplated in this Agreement and in the U.S. Prospectus and the Canadian Prospectus. If at any time when a prospectus is required by the 1933 Act or Canadian Securities Laws to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Underwriters or for the Company, acting reasonably, to amend the Registration Statement or amend or supplement the U.S. Prospectus or the Canadian Prospectus in order that the U.S. Prospectus or the Canadian Prospectus will not include any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary, in the opinion of such counsel, acting reasonably, at any such time to amend the Registration Statement or amend or supplement the U.S. Prospectus or the Canadian Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations or Canadian Securities Laws, the Company will promptly prepare and file with the SEC and with the Reviewing Authority and the Qualifying Authorities, subject to Section 3(a)(iii), such amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement or the U.S. Prospectus or the Canadian Prospectus comply with such requirements, and the Company will furnish to the Underwriters such number of copies of such amendment or supplement as the Underwriters may reasonably request.

(viii) Blue Sky Qualifications. The Company will use its reasonable best efforts, in cooperation with the Underwriters, to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions as the Underwriters may designate and to maintain such qualifications in effect for a period of not less than one year from the effective date of the Registration Statement; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(ix) Rule 158. The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its securityholders as soon as

practicable an earnings statement (which need not be audited but shall be in reasonable detail) for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act and the regulations thereunder.

(x) Absence of Price Manipulation. The Company will not at anytime, directly or indirectly, take any action intended or which might reasonably be expected, to cause or result in, or which will constitute, stabilization of the price of the Common Shares to facilitate the sale or resale of any of the Securities.

(xi) Restriction on Sale of Securities. During a period of 90 days from the date of the U.S. Prospectus and the Canadian Prospectus, the Company will not, without the prior written consent of Raymond James, (i) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any Common Shares or any securities convertible into or exercisable or exchangeable for Common Shares or file any registration statement under the 1933 Act with respect to any of the foregoing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Common Shares, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of Common Shares or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (A) any Common Shares issued or options to purchase Common Shares granted pursuant to the Company's stock option plan referred to in the U.S. Prospectus and the Canadian Prospectus, or (B) any Common Shares issued by the Company upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof and referred to in the U.S. Prospectus and the Canadian Prospectus.

(xii) Listing. The Common Shares are listed for trading on the NYSE, and no order by the NYSE ceasing or suspending trading in the Common Shares or prohibiting the sale of the Securities or the trading of any securities of the Company has been issued by the NYSE and is pending and no proceedings for such purpose are pending or, to the knowledge of the Company, threatened. The Company will file all documents and notices with the NYSE as may be required in connection with the offering of the Securities. The Company has obtained the conditional approval of the TSX for the listing of the Common Shares and will use its best efforts to satisfy any requirements of the TSX to the listing thereof within the time specified in such approval.

(xiii) Reporting Requirements. The Company, during the period when the U.S. Prospectus or the Canadian Prospectus is required to be delivered under the 1933 Act or the 1934 Act or under applicable Canadian Securities Laws, will file all documents required to be filed by the Company with (i) the SEC pursuant to the 1934 Act within the time periods required by the 1934 Act and the rules and regulations of the SEC thereunder, and (ii) with the Qualifying Provinces in accordance with applicable Canadian Securities Laws.

(xiv) PREP Procedures. The Company will take such steps as it deems necessary to ascertain promptly whether the form of Supplemented PREP Prospectus was received for filing by the Reviewing Authority and the Qualifying Authorities and whether the U.S.

Supplemented Prospectus transmitted for filing pursuant to General Instruction II.L. of Form F-10 was received for filing by the SEC and, in the event that any such prospectuses were not received for filing, it will promptly file any such prospectus not then received for filing.

(xv) Translation Opinions. The Company shall cause McCarthy Tetrault to deliver to the Underwriters opinions, dated the date of the filing of the French language versions of each of the Base PREP Prospectus and the Supplemented PREP Prospectus, to the effect that the French language version of each such prospectus, together with each document incorporated therein by reference (other than the financial statements and other financial data contained therein or omitted therefrom), is in all material respects a complete and accurate translation of the English language versions thereof. The Company shall cause McCarthy Tetrault to deliver to the Underwriters similar opinions as to the French language translation of any information contained in any Supplementary Material, in form and substance reasonably satisfactory to the Underwriters, prior to the filing thereof with the Reviewing Authority.

(xvi) Translation Opinions - Financial Statements. The Company shall cause KPMG LLP to deliver to the Underwriters opinions, dated the date of the filing of the French language versions of each of the Base PREP Prospectus and the Supplemented PREP Prospectus, to the effect that the financial statements and other financial data contained in the French language version of each such prospectus, together with each document incorporated therein by reference, is in all material respects a complete and accurate translation of the English language versions thereof. The Company shall cause KPMG LLP to deliver to the Underwriters similar opinions as to the French language translation of any information contained in any Supplementary Material, in form and substance reasonably satisfactory to the Underwriters, prior to the filing thereof with the Reviewing Authority.

(xvii) Lock-Up Agreements. The Company will use its best efforts to ensure that those persons listed in Schedule D hereto enter into agreements substantially in the form of Exhibit C hereto.

(b) Covenants of Mr. Ritchie and the Selling Shareholder. Mr. Ritchie, on behalf of himself and on behalf of the Selling Shareholder, covenants and agrees with each of the Underwriters that:

(i) Restriction on Sale of Securities. During a period of 90 days from the date of the U.S. Prospectus and the Canadian Prospectus, neither Mr. Ritchie nor the Selling Shareholder will, without the prior written consent of Raymond James, (i) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any Common Shares or any securities convertible into or exercisable or exchangeable for Common Shares or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Common Shares, whether any such swap or

transaction described in clause (i) or (ii) above is to be settled by delivery of Common Shares or such other securities, in cash or otherwise.

(ii) Absence of Price Manipulation. Neither Mr. Ritchie nor the Selling Shareholder will at any time, directly or indirectly, take any action intended, or which might reasonably be expected, to cause or result in, or which will constitute, stabilization of the price of the Common Shares to facilitate the sale or resale of any of the Securities.

(iii) Form W-8. In order to document the Underwriters' compliance with the reporting and withholding provisions of the Tax Equity and Fiscal Responsibility Act of 1982 with respect to transactions herein contemplated, the Selling Shareholder will deliver to Raymond James, on behalf of the Underwriters prior to or at the Closing Time a properly completed and executed United States Treasury Department Form W-8 (or other applicable form or statement specified by Treasury Department regulations in lieu thereof).

SECTION 4. Payment of Expenses.

(a) Expenses. The Selling Shareholder will pay all expenses incident to the performance of the obligations of the Company, Mr. Ritchie and the Selling Shareholder under this Agreement, including (i) the preparation, printing and filing of the Registration Statement (including financial statements and exhibits and the Form F-X) and of each amendment thereto, the preliminary prospectuses, the U.S. Prospectus, the Base PREP Prospectus, the Canadian Prospectus and any Supplementary Material and any amendments or supplements thereto or French translations thereof, and the cost of furnishing copies thereof to the Underwriters, (ii) the preparation, printing and delivery to the Underwriters of this Agreement, any Agreement among Underwriters and such other documents as may be required in connection with the offering, purchase, sale, issuance or delivery of the Securities, (iii) the preparation, issuance and delivery of the certificates for the Securities to the Underwriters, including any stock or other transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Securities to the Underwriters, (iv) the fees and disbursements of the Company's, Mr. Ritchie's and Selling Shareholder's counsel, accountants and other advisors, (v) the qualification of the Securities under applicable securities laws in accordance with the provisions of Section 3(a)(vii) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation of the U.S. Blue Sky Survey and any supplement thereto, (vi) the printing and delivery to the Underwriters of commercial copies of each preliminary prospectus, and of the U.S. Prospectus and the Canadian Prospectus and any amendments or supplements thereto, (vii) the preparation, printing and delivery to the Underwriters of commercial copies of the U.S. Blue Sky Survey and any supplement thereto, (viii) the fees and expenses of any transfer agent or registrar for the Securities, (ix) the filing fees incident to the review by the National Association of Securities Dealers, Inc. (the "NASD") of the terms of the sale of the Securities and (x) any fees or expenses payable to the NYSE in connection with the transactions contemplated pursuant to this Agreement. It is understood, however, that the Company may reimburse Mr. Ritchie, or the Selling Shareholder, as applicable, for a portion of the costs incurred in connection with the transactions contemplated pursuant to this Agreement as may be agreed to between the Company and Mr. Ritchie. Except as provided in this Section 4(a) and Section 4(b) below, the Underwriters will pay all of their own costs and expenses, including (without limitation) the fees of their counsel. In addition, the Underwriters will pay all

costs and expenses related to the travel (e.g., airfare and land transportation) by representatives of the Company and the Underwriters as part of the roadshow process in connection with the offering of the Securities.

(b) Termination of Agreement. If this Agreement is terminated by the Underwriters (i) in accordance with the provisions of Section 5(q) because of any failure, refusal or inability on the part of the Company, Mr. Ritchie or the Selling Shareholder to fulfill any of the conditions of this Agreement, (ii) in accordance with the provisions of Section 8(a)(i) hereof or (iii) in accordance with the provisions of Section 5(q) because any condition set forth in Section

5(b), 5(c), 5(f), 5(g), 5(j), 5(k) or 5(m) is not fulfilled, Mr. Ritchie, or in his discretion the Selling Shareholder, shall reimburse the Underwriters for all of their out of pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriters.

SECTION 5. Conditions of Underwriters' Obligations. The obligations of the several Underwriters hereunder are subject to the accuracy of the representations and warranties of the Company, Mr. Ritchie and the Selling Shareholder contained in Section 1 hereof or in certificates of any officer of the Company or any subsidiary of the Company, Mr. Ritchie or the Selling Shareholder delivered pursuant to the provisions hereof on the Closing Date and each Date of Delivery (if any), to the performance by the Company, Mr. Ritchie and the Selling Shareholder of their covenants and other obligations hereunder, and to the following further conditions:

(a) Effectiveness of Registration Statement. The Base PREP Prospectus has been filed with the Reviewing Authority and with the Qualifying Authorities and a final Mutual Reliance Review System Decision Document obtained therefor and the Registration Statement has become effective; and at the Closing Time no stop order suspending the effectiveness of the Registration Statement shall have been issued under the 1933 Act or proceedings therefor initiated or threatened by the SEC, no order having the effect of ceasing or suspending the distribution of the Securities or the trading in the securities of the Company or any other securities of the Company shall have been issued or proceedings therefor initiated or threatened by any securities commission, securities regulatory authority or stock exchange in Canada or the United States, and any request on the part of the Reviewing Authority, any Qualifying Authority or the SEC for additional information shall have been complied with to the reasonable satisfaction of counsel to the Underwriters. A Supplemented PREP Prospectus and a U.S. Supplemented Prospectus containing the PREP Information shall have been filed, respectively, with the Reviewing Authority and with the Qualifying Authorities in accordance with the PREP Procedures and with the SEC in accordance with General Instruction II.L. of Form F-10.

(b) Opinion of Canadian Counsel to the Company, Mr. Ritchie and the Selling Shareholder. At the Closing Time, the Underwriters shall have received the opinion, dated as of the Closing Date, of McCarthy Tetrault LLP, Canadian counsel to the Company, Mr. Ritchie and the Selling Shareholder, in form and substance reasonably satisfactory the Underwriters, together with signed or reproduced copies of such opinion for each of the Underwriters to the effect set forth in Exhibit A hereto.

(c) Opinion of U.S. Counsel to the Company, Mr. Ritchie and the Selling Shareholder. At the Closing Time, the Underwriters shall have received the opinion dated as of the Closing Date,

of Perkins Coie LLP, United States counsel to the Company, Mr. Ritchie and the Selling Shareholder, together with signed or reproduced copies of such opinion for each of the other Underwriters, in form and substance reasonably satisfactory to the Underwriters to the effect set forth in Exhibit B hereto.

(d) Opinion of Canadian Counsel to Underwriters. At the Closing Time, the Underwriters shall have received the opinion, dated as of the Closing Date, of Borden Ladner Gervais LLP, Canadian counsel to the Underwriters, together with signed or reproduced copies of such opinion for each of the other Underwriters, in form and substance reasonably satisfactory to the Underwriters. In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the laws of the Provinces of British Columbia, Alberta, Ontario and Quebec and the federal laws of Canada applicable therein upon the opinions of counsel satisfactory to the Underwriters. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company and its subsidiaries and certificates of public officials.

(e) Opinion of U.S. Counsel to Underwriters. At the Closing Time, the Underwriters shall have received the opinion, dated as of the Closing Date, of Skadden, Arps, Slate, Meagher & Flom LLP, United States counsel to the Underwriters, together with signed or reproduced copies of such opinion for each of the other Underwriters, in form and substance reasonably satisfactory to the Underwriters. In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the law of the State of New York and the federal law of the United States, upon the opinions of counsel satisfactory to the Underwriters. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company and its subsidiaries and certificates of public officials.

(f) Certificates Relating to Dutch Subsidiary. At the Closing Time, the Underwriters shall have received a certificate, dated the Closing Date, from De Brauw Blackstone Westbroek, Dutch counsel to the Company, with respect to the subsidiary listed in Schedule C as the Dutch Subsidiary and identified therein as a "Significant Subsidiary," in form and substance reasonably satisfactory to the Underwriters.

(g) Officers' Certificate. At the Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the U.S. Prospectus and the Canadian Prospectus, any change resulting in a Material Adverse Effect, and the Underwriters shall have received a certificate of each of the Chief Executive Officer of the Company and the Chief Financial Officer of the Company, dated as of the Closing Time, to the effect that (i) there has been no such change resulting in a Material Adverse Effect, (ii) the representations and warranties in Section 1(a) hereof are true and correct with the same force and effect as though expressly made at and as of the Closing Time, (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time, (iv) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated by the SEC, and (v) no order having the effect of ceasing or suspending the distribution of the Securities shall have been issued and no proceedings for that purpose have been instituted or

are pending or, to the knowledge of the Company, are contemplated by any securities commission or securities regulatory authority in Canada.

(h) Mr. Ritchie's Certificate. At the Closing Time, the Underwriters shall have received a certificate of Mr. Ritchie, dated as of the Closing Date, to the effect that (i) to his knowledge, after due inquiry, he is not aware of any change resulting in a Material Adverse Effect, (ii) the representations and warranties in Section 1(b) hereof are true and correct with the same force and effect as though expressly made at and as of the Closing Time, and (iii) he has complied with all agreements and satisfied all conditions on his part to be performed or satisfied at or prior to the Closing Time.

(i) Selling Shareholder's Certificate. At the Closing Time, the Underwriters shall have received a certificate of the Selling Shareholder, dated as of the Closing Date, to the effect that (i) to its knowledge, after due investigation, it is not aware of any change resulting in a Material Adverse Effect, (ii) the representations and warranties in Section 1(b) hereof are true and correct with the same force and effect as though expressly made at and as of the Closing Time, and (iii) it has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time.

(j) Accountant's Comfort Letter. At the time of the execution of this Agreement, the Underwriters shall have received from KPMG LLP, a letter dated such date, in form and substance reasonably satisfactory to the Underwriters together with signed or reproduced copies of such letter for each of the other Underwriters, which has been prepared in accordance with SAS 72 and SAS 100, and contains statements and information of the type ordinarily included in accountants' "comfort letters" to U.S. underwriters with respect to the financial statements and certain financial information contained in the U.S. Prospectus and the Canadian Prospectus.

(k) Bring-down Comfort Letter. At the Closing Time, the Underwriters shall have received from KPMG LLP, a letter, dated as of the Closing Date, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (j) of this Section, except that the "specified date" referred to shall be a date not more than three business days prior to the Closing Date.

(l) No Objection. The NASD shall have confirmed that it has not raised any objection with respect to the fairness and reasonableness of the underwriting terms and arrangements.

(m) Lock-up Agreements. At the date of this Agreement, the Underwriters shall have received an agreement substantially in the form set forth in Exhibit C hereto, signed by the persons listed on Schedule D hereto.

(n) No Trading Suspension; Approval of Listing. At the Closing Time, the Common Shares shall be listed for trading on the NYSE, and no order ceasing or suspending trading in the Common Shares or prohibiting the sale of the Securities or the trading of any securities of the Company shall have been issued or be pending or, to the knowledge of the Company, threatened. At the Closing Time, the Common Shares shall have been conditionally approved for listing on the TSX.

- (o) Conditions to Purchase of Option Securities. In the event that the Underwriters exercise their option provided in Section 2(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties of the Company, Mr. Ritchie and the Selling Shareholder contained herein and the statements in any certificates furnished by the Company, Mr. Ritchie or the Selling Shareholder hereunder shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the Underwriters shall have received:
- (i) Opinion of Canadian Counsel to the Company, Mr. Ritchie and the Selling Shareholder. The opinion of McCarthy Tetrault LLP, Canadian counsel to the Company, Mr. Ritchie and the Selling Shareholder, in form and substance reasonably satisfactory to counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(b) hereof.
- (ii) Opinion of U.S. Counsel to the Company, Mr. Ritchie and the Selling Shareholder. The opinion of Perkins Coie LLP, U.S. counsel to the Company, Mr. Ritchie and the Selling Shareholder, in form and substance reasonably satisfactory to counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(c) hereof.
- (iii) Opinion of Canadian Counsel to the Underwriters . The opinion of Borden Ladner Gervais LLP, Canadian counsel to the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(d) hereof.
- (iv) Opinion of U.S. Counsel to the Underwriters. The opinion of Skadden, Arps, Slate, Meagher & Flom LLP, U.S. counsel to the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(e) hereof.
- (v) Certificates Relating to Dutch Subsidiaries. The certificates of De Brauw Blackstone Westbroek, Dutch counsel to the Company, in form and substance reasonably satisfactory to the Underwriters, dated the Date of Delivery, relating to the Option Securities to be purchased on the Date of Delivery and otherwise to the same effect as the certificates required by Section 5(f) hereof.
- (vi) Officer's Certificate. A certificate, dated such Date of Delivery, of the Chief Executive Officer of the Company and the Chief Financial Officer of the Company confirming that the certificate delivered at the Closing Time pursuant to Section 5(g) hereof remains true and correct as of such Date of Delivery.
- (vii) Mr. Ritchie's Certificate. A certificate, dated such Date of Delivery, of Mr. Ritchie confirming that the certificate delivered at the Closing Time pursuant to Section 5(h) hereof remains true and correct as of such Date of Delivery.

(viii) Selling Shareholder's Certificate. A certificate, dated such Date of Delivery, of the Selling Shareholder confirming that the certificate delivered at the Closing Time pursuant to Section 5(i) hereof remains true and correct as of such Date of Delivery.

(ix) Bring-down Comfort Letter. A letter from KPMG LLP, in form and substance reasonably satisfactory to the Underwriters and dated such Date of Delivery, to the effect that they reaffirm the statements made in the letter furnished to the Underwriters pursuant to Section 5(k) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than three days prior to such Date of Delivery.

(p) Additional Documents. At the Closing Time, and at each Date of Delivery, counsel for the Underwriters shall have been furnished with such documents, including certificates as to tax matters, and opinions as they may reasonably require for the purpose of enabling them to pass upon the sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company, Mr. Ritchie and the Selling Shareholder in connection with the sale of the Securities as herein contemplated shall be satisfactory in form and substance to the Underwriters and counsel for the Underwriters, acting reasonably.

(q) Termination of Agreement. If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement, or in the case of any condition to the purchase of Option Securities on a Date of Delivery which is after the Closing Time, the obligations of the several Underwriters to purchase the relevant Securities, may be terminated by the Underwriters by notice to the Company and the Selling Shareholder at any time at or prior to the Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections [1], 6, [7 AND 8] shall survive any such termination and remain in full force and effect.

SECTION 6. Indemnification.

(a) Indemnification of Underwriters, Mr. Ritchie and Selling Shareholder by Company. The Company agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls such Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, Mr. Ritchie and the Selling Shareholder and each person, if any, who controls the Selling Shareholder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all losses, claims, damages or liabilities, joint or several (and actions in respect thereof), to which such Underwriter, Mr. Ritchie, such Selling Shareholder or such controlling person may become subject, under the 1933 Act, Canadian Securities Laws or other federal, provincial or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Canadian Prospectus or the U.S. Prospectus or any preliminary prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading and will reimburse, as incurred, such Underwriter, Mr. Ritchie, such Selling Shareholder or such controlling person for any legal or other expenses reasonably incurred by such Underwriter, Mr. Ritchie, such Selling

Shareholder or such controlling person in connection with investigating, defending or appearing as a third party witness in connection with any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in any of such documents in reliance upon and in conformity with information furnished in writing to the Company on behalf of such Underwriter, on behalf of Mr. Ritchie, or on behalf of the Selling Shareholder expressly for use therein, and provided, further, that such indemnity with respect to any preliminary prospectus shall not inure to the benefit of any Underwriter (or to the benefit of any person controlling such Underwriter) from whom the person asserting any such loss, claim, damage, liability or action purchased Securities which are the subject thereof to the extent that any such loss, claim, damage, liability or action (i) results from the fact that such Underwriter failed to send or give a copy of the Canadian Prospectus or the U.S. Prospectus (as amended or supplemented), as applicable, to such person at or prior to the confirmation of the sale of such Securities to such person in any case where such delivery is required by the 1933 Act, the 1933 Act Regulations or Canadian Securities Laws and (ii) arises out of or is based upon an untrue statement or omission of a material fact contained in such preliminary prospectus that was corrected in the Canadian Prospectus or the U.S. Prospectus (as amended and supplemented), as applicable, unless such failure resulted from non-compliance by the Company with Sections 3(a)(iv) or 3(a)(v) hereof, and provided, however, that the Company will not be liable to Mr. Ritchie or the Selling Shareholder (or any person controlling the Selling Shareholder) to the extent that any such loss, claim, damage, liability or action is of the type referred to in clauses (i) and (ii) of this paragraph

(a). The indemnity agreement in this paragraph (a) shall be in addition to any liability which the Company may otherwise have.

(b) Indemnification of Underwriters and Company by Mr. Ritchie and the Selling Shareholder. Mr. Ritchie and the Selling Shareholder each jointly and severally agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls such Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act and the Company, each of its directors, each of its officers who have signed the Registration Statement or the Canadian Prospectus and each person who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all losses, claims, damages or liabilities, joint or several (and actions in respect thereof), to which such Underwriter, the Company or such controlling person, director or officer may become subject, under the 1933 Act, Canadian Securities Laws or other federal, provincial or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Canadian Prospectus or the U.S. Prospectus or any preliminary prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement of alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with information furnished in writing by either Mr. Ritchie or the Selling Shareholder to the Company expressly for use therein; and will reimburse, as incurred, such Underwriter, the Company or such controlling person, director or officer for any legal or other expenses reasonably incurred by such Underwriter, the Company or such controlling person, director or officer in connection with

investigating, defending or appearing as a third party witness in connection with any such loss, claim, damage, liability or action. The Underwriters and the Company acknowledge that the statements with respect to Mr. Ritchie and the Selling Shareholder set forth under the heading "Principal and Selling Shareholders" in the Canadian Prospectus and the U.S. Prospectus have been furnished in writing by Mr. Ritchie and the Selling Shareholder for inclusion in the Canadian Prospectus and the U.S. Prospectus and constitute the only information furnished in writing by or on behalf of either Mr. Ritchie or the Selling Shareholder for inclusion in the Canadian Prospectus and the U.S. Prospectus. The indemnity agreement contained in this subsection (b) shall be in addition to any liability which Mr. Ritchie or the Selling Shareholder may otherwise have.

(c) Indemnification of Mr. Ritchie, the Selling Shareholder and Company by Underwriters. Each of the Underwriters agrees severally, but not jointly, to indemnify and hold harmless Mr. Ritchie, the Selling Shareholder and each person, if any, who controls the Selling Shareholder within the meaning of

Section 15 of the 1933 Act or Section 20 of the 1934 Act, and the Company, each of its directors, each of its officers who has signed the Registration Statement or the Canadian Prospectus and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all losses, claims, damages or liabilities, joint or several (and actions in respect thereof) to which Mr. Ritchie, the Selling Shareholder, the Company or any such director, officer, or controlling person may become subject, under the 1933 Act, Canadian Securities Laws or other federal, provincial or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement or the Canadian Prospectus or the U.S. Prospectus or any preliminary prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with information furnished in writing by that Underwriter to the Company expressly for use therein; and will reimburse, as incurred, all legal or other expenses reasonably incurred by Mr. Ritchie, the Selling Shareholder, the Company or any such director, officer or controlling person in connection with investigating or defending any such loss, claim, damage, liability or action. Mr. Ritchie, the Selling Shareholder and the Company acknowledge that the statements with respect to the public offering of the Securities set forth under the heading "Underwriting" in the U.S. Prospectus and the Canadian Prospectus have been furnished by the Underwriters to the Company expressly for use therein and constitute the only information furnished in writing by or on behalf of the Underwriters for inclusion in the U.S. Prospectus or the Canadian Prospectus. The indemnity agreement contained in this subsection (c) shall be in addition to any liability which the Underwriters may otherwise have.

(d) Actions Against Parties; Notification. Promptly after receipt by an indemnified party under this Section 6 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against one or more indemnifying parties under this Section 6, notify such indemnifying party or parties of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a), (b) or

(c) of this Section 6 or to the extent that the indemnifying party was not adversely affected by such omission. In case any such action is

brought against an indemnified party and it notifies an indemnifying party or parties of the commencement thereof, the indemnifying party or parties against which a claim is to be made will be entitled to participate therein and, to the extent that it or they may wish, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party; provided, however, that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party has reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and otherwise to participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 6 for any legal or other expenses (other than the reasonable costs of investigation) subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party has employed such counsel in connection with the assumption of such different or additional legal defenses in accordance with the proviso to the immediately preceding sentence, (ii) the indemnifying party has not employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action, or (iii) the indemnifying party has authorized in writing the employment of counsel for the indemnified party at the expense of the indemnifying party; provided, in each case, that the indemnifying party shall not be liable for the fees and expenses of more than one counsel for all indemnified parties and the indemnifying party shall only be liable for reasonable fees and expenses.

(e) Contribution. If the indemnification provided for in this Section 6 is unavailable or insufficient to hold harmless an indemnified party under paragraph (a), (b) or (c) above in respect of any losses, claims, damages, expenses or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) (i) in such proportion as is appropriate to reflect the relative benefits received by each of the contributing parties, on the one hand, and the party to be indemnified, on the other hand, from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law and in all cases where the Company is the indemnifying party, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of each of the contributing parties, on the one hand, and the party to be indemnified, on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. In any case where Mr. Ritchie or the Selling Shareholder is a contributing party and the Underwriters are the indemnified party, the relative benefits received by Mr. Ritchie or the Selling Shareholder, as applicable, on the one hand, and the Underwriters, on the other, shall be deemed to be in the same proportion as the total net proceeds from the offering of the Securities of the Selling Shareholder (before deducting expenses) bear to the total underwriting commission received by the Underwriters in respect of such Securities hereunder, in each case as set forth in the table on the cover page of the U.S. Prospectus. Relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, Mr. Ritchie or the Selling Shareholder or by the

Underwriters, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this paragraph (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this paragraph (e), the Underwriters shall not be required to contribute any amount in excess of the underwriting commission applicable to the Securities purchased by the Underwriters hereunder. The Underwriters' obligations to contribute pursuant to this paragraph (e) are several in proportion to their respective underwriting obligations, and not joint. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph (e), (i) each person, if any, who controls an Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Underwriter, (ii) each person, if any, who controls the Selling Shareholder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Selling Shareholder, subject to this paragraph (e), and (iii) each director of the Company, each officer of the Company who has signed the Registration Statement or the Canadian Prospectus, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company, subject to this paragraph (e). Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect to which a claim for contribution may be made against another party or parties under this paragraph (e), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation (x) it or they may have hereunder or otherwise than under this paragraph (e) or (y) to the extent that such party or parties were not adversely affected by such omission. The contribution agreement set forth above shall be in addition to any liabilities which any indemnifying party may otherwise have.

SECTION 7. Representations, Warranties and Agreements to Survive Delivery. All representations, warranties and agreements contained in this Agreement and in certificates of officers of the Company or any of its subsidiaries, Mr. Ritchie and the Selling Shareholder delivered pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, or controlling person, or by or on behalf of the Company, Mr. Ritchie or the Selling Shareholder, and shall survive delivery of the Securities to the Underwriters.

SECTION 8. Termination of Agreement.

(a) Termination; General. The Underwriters may terminate this Agreement, by notice to the Company and the Selling Shareholder, at any time at or prior to the Closing Time (i) if there has been, since the time of execution of this Agreement or since the respective dates as of which information is given in the U.S. Prospectus (exclusive of any supplement thereto) and the Canadian Prospectus (exclusive of any supplement thereto), any change resulting in a Material Adverse Effect, or (ii) if there has occurred any material adverse change in the financial markets in the United States or Canada, or any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development in each case involving a prospective material adverse change in the financial

markets in the United States or Canada in each case the effect of which is such as to make it, in the judgment of the Underwriters impracticable or inadvisable to market the Securities or to enforce contracts for the sale of the Securities, or (iii) if trading in any securities of the Company has been suspended or materially limited by the SEC, the Reviewing Authority, any Qualifying Authority, any other securities commission or securities regulatory authority in Canada or the NYSE or the TSX, or if trading generally on the NYSE, the TSX, or in the Nasdaq National Market has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by such system or by order of the SEC, the Reviewing Authority, any Qualifying Authority, any other securities commission or securities regulatory authority in Canada, the National Association of Securities Dealers, Inc. or any other governmental authority, or a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States or Canada, or (iv) if a banking moratorium has been declared by either United States federal, New York state or Canadian federal authorities.

(b) Liabilities. If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Section 6 shall survive such termination and remain in full force and effect.

SECTION 9. Default by One or More of the Underwriters. If one or more of the Underwriters shall fail at the Closing Time or a Date of Delivery to purchase the Securities which it or they are obligated to purchase under this Agreement (the "Defaulted Securities"), the Underwriters shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters reasonably acceptable to the Company and the Selling Shareholder, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Underwriters shall not have completed such arrangements within such 24-hour period, then:

(a) if the number of Defaulted Securities does not exceed 10% of the number of Securities to be purchased hereunder, the non-defaulting Underwriters shall be obligated, each severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting Underwriters, or

(b) if the number of Defaulted Securities exceeds 10% of the number of Securities to be purchased on such date, this Agreement or, with respect to any Date of Delivery which occurs after the Closing Time, the obligation of the Underwriters to purchase and of the Company to sell the Option Securities to be purchased and sold on such Date of Delivery, shall terminate without liability on the part of any non-defaulting Underwriter.

No action taken pursuant to this Section 9 shall relieve any defaulting Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement, or in the case of a Date of Delivery which is after the Closing Time, which does not result in a termination of the obligation of the Underwriters to purchase and the Selling Shareholder to sell the

relevant Option Securities, as the case may be, either the Underwriters or the Selling Shareholder shall have the right to postpone the Closing Time or the relevant Date of Delivery, as the case may be, for a period not exceeding seven days in order to effect any required changes in the Registration Statement, the U.S. Prospectus or the Canadian Prospectus or in any other documents or arrangements. As used herein, the term "Underwriter" includes any person substituted for an Underwriter under this Section 9.

SECTION 10. Agent for Service; Submission to Jurisdiction; Waiver of Immunities. By the execution and delivery of this Agreement, the Company, Mr. Ritchie and the Selling Shareholder (i) acknowledge that they have, by separate written instrument, irrevocably designated and appointed Robert K. Whitsit, (the "Agent for Service"), as their authorized agent upon which process may be served in any suit or proceeding arising out of or relating to this Agreement or the Securities, that may be instituted in any federal or state court in the State of New York, or brought under U.S. federal or state securities laws, and acknowledge that the Agent for Service has accepted such designation, (ii) submit to the jurisdiction of any such court in any such suit or proceeding, and (iii) agree that service of process upon the Agent for Service (or any successor) and written notice of said service to the Company (mailed or delivered to its Corporate Secretary at its principal office in Richmond, British Columbia), to Mr. Ritchie (at his address as set forth in Section 11 hereof), or to the Selling Shareholder (mailed or delivered to its President at the address set forth in Section 11 hereof) shall be deemed in every respect effective service of process upon the Company, Mr. Ritchie and the Selling Shareholder in any such suit or proceeding. The Company, Mr. Ritchie and the Selling Shareholder further agree to take any and all action, including the execution and filing of any and all such documents and instruments, as may be necessary to continue such designation and appointment of the Agent for Service in full force and effect so long as any of the Securities shall be outstanding.

To the extent that the Company, Mr. Ritchie and the Selling Shareholder have or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to themselves or their respective property, they hereby irrevocably waive such immunity in respect of their obligations under the above-referenced documents, to the extent permitted by law.

SECTION 11. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriters shall be directed to the Underwriters, c/o Raymond James, 2300 - 925 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3L2, Attention of Ian MacKay; notices to the Company shall be directed to it at 6500 River Road, Richmond, British Columbia, Canada, V6X 4G5, Attention of Corporate SECRETARY; notices to Mr. Ritchie shall be directed to David Ritchie, c/o Ritchie Bros. Auctioneers Incorporated, 6500 River Road, Richmond, British Columbia, Canada, V6X 4G5; and notices to the Selling Shareholder shall be directed to Warm Springs Investments Ltd., c/o Ritchie Bros. Auctioneers Incorporated, 6500 River Road, Richmond, British Columbia, Canada, V6X 4G5.

SECTION 12. Parties. This Agreement shall inure to the benefit of and be binding upon the Underwriters, the Company and its successors, Mr. Ritchie and his heirs and legal representatives

and the Selling Shareholder and its successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Underwriters, the Company and its successors, Mr. Ritchie and his heirs and legal representatives, the Selling Shareholder and its successors and the controlling persons and officers and directors referred to in Section 6 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Underwriters, the Company and its successors, Mr. Ritchie and his heirs and legal representatives, the Selling Shareholder and its successors and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from any Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 13. GOVERNING LAW AND TIME. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EXCEPT AS OTHERWISE SET FORTH HEREIN, SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 14. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

SECTION 15. Severability. In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 16. Amendment or Modification. This Agreement may not be amended or otherwise modified or any provision hereof waived except by an instrument in writing signed by or on behalf of the Underwriters, the Company, Mr. Ritchie and the Selling Shareholder.

SECTION 17. Effect of Headings. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Underwriters, the Company, Mr. Ritchie and the Selling Shareholder in accordance with its terms.

Very truly yours,

RITCHIE BROS. AUCTIONEERS INCORPORATED

By:

Name:

Title:

DAVID E. RITCHIE

WARM SPRINGS INVESTMENTS LTD.

By:

David E. Ritchie President

CONFIRMED AND ACCEPTED,

as of the date first above written:

By: RAYMOND JAMES LTD.

By: CIBC WORLD MARKETS INC.

By: _____

By: _____

Name:
Title:

Name:
Title:

By: WILLIAM BLAIR & COMPANY, L.L.C.

By: SCOTIA CAPITAL INC.

By: _____

By: _____

Name:

Name:

Title: Title:

SCHEDULE A

List of Underwriters

NAME OF UNDERWRITER	NUMBER OF INITIAL SECURITIES
Raymond James Ltd.....	0
CIBC World Markets Inc.....	0
William Blair & Company, L.L.C.	0
Scotia Capital Inc.....	0
Total.....	1,739,130

Sch A-1

SCHEDULE B

Pricing Information

Ritchie Bros. Auctioneers Incorporated
1,739,130 Common Shares
(without par value)

1. The public offering price per share for the Securities, determined as provided in Section 2, shall be US\$ 0 per share.
2. The purchase price per share to be paid by the several Underwriters shall be US\$ 0 , being an amount equal to the public offering price set forth above less the underwriting commission as set forth in paragraph 3 below.
3. The underwriting commission per share payable for the Securities to be paid by the Selling Shareholder shall be US\$ 0 per share.

Sch B-1

SCHEDULE C

List of Significant Subsidiaries

CANADIAN SUBSIDIARIES

Ritchie Bros. Holdings Ltd.
Ritchie Bros. Auctioneers (Canada) Ltd.
Ritchie Bros. Properties Ltd.

U.S. SUBSIDIARIES

Ritchie Bros. Holdings Inc.
Ritchie Bros. Auctioneers (America) Inc. Ritchie Bros. Properties Inc.

DUTCH SUBSIDIARY

Ritchie Bros. Auctioneers B.V.

Sch C-1

SCHEDULE D

List of Persons and Entities Subject to Lock-up

Robert Armstrong

Peter James Blake

Clifford Russell Cmolik

Charles Edward Croft

Robert K. Mackay

George Edward Moul

David Edward Ritchie

Roger W. Rummel

Randall J. Wall

Robert K. Whitsit

EXHIBIT A

**FORM OF OPINION OF CANADIAN COUNSEL
TO THE COMPANY, MR. RITCHIE AND THE SELLING SHAREHOLDER
TO BE DELIVERED PURSUANT TO
SECTION 5(b)**

1. The Company has been duly amalgamated and is validly existing as a corporation in good standing under the laws of Canada.
2. The Company has all necessary corporate power and capacity to own, lease and operate its properties and to conduct its business as described in the U.S. Prospectus and the Canadian Prospectus.
3. The Company is extra-provincially registered or otherwise qualified as an extra-provincial or foreign corporation to transact business and is in good standing in each jurisdiction in Canada in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.
4. The Company and the Selling Shareholder each have all necessary power and capacity to execute, deliver and perform their respective obligations under the Underwriting Agreement and the Underwriting Agreement has been duly authorized and, to the extent that execution and delivery are matters governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein, has been duly executed and delivered by the Company, Mr. Ritchie and the Selling Shareholder.
5. The subsidiaries listed in Schedule C as Canadian Subsidiaries and identified therein as "Significant Subsidiaries" (each a "Canadian Subsidiary") have been duly incorporated, continued or organized and are validly existing as corporations in good standing under the laws of the jurisdiction of their incorporation, continuance or organization, have all necessary corporate power and authority to own, lease and operate their properties and to conduct their business as described in the U.S. Prospectus and the Canadian Prospectus and are extra-provincially registered or otherwise qualified as an extra-provincial or foreign corporation to transact business and are in good standing in each jurisdiction in Canada in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect; except as otherwise disclosed in the U.S. Prospectus and the Canadian Prospectus, all of the issued and outstanding shares in the capital of each Canadian Subsidiary (other than Ritchie Bros. Holdings Ltd., as to which such counsel need express no opinion) has been duly authorized and validly issued and is fully paid and non-assessable and, to the knowledge of such counsel, all of such issued and outstanding shares are owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity and, to the knowledge of such

counsel, none of the outstanding shares in the capital of any Canadian Subsidiary was issued in violation of the preemptive or similar rights of any securityholder of such Canadian subsidiary.

6. The authorized, issued and outstanding share capital of the Company is as set forth in the U.S. Prospectus and the Canadian Prospectus under the caption "Description of Share Capital" (except for subsequent issuances, if any, pursuant to the exercise of convertible securities or options or warrants referred to in the U.S. Prospectus and the Canadian Prospectus). The issued and outstanding shares in the capital of the Company have been duly authorized and validly issued and are fully paid and non-assessable. The attributes of the Common Shares conform in all material respects to the description thereof contained in the Canadian Prospectus and the U.S. Prospectus. To the knowledge of such counsel, none of the outstanding Common Shares have been issued in violation of the pre-emptive rights of any shareholder of the Company.

7. The form of share certificate representing the Common Shares has been duly approved by the Company and complies with all applicable statutory requirements, with any applicable requirements of the charter and by-laws of the Company, with the provisions of the Canada Business Corporations Act relating thereto and the requirements of The Toronto Stock Exchange for share certificates.

8. To the knowledge of such counsel, there is not pending or threatened any action, suit, proceeding, inquiry, or investigation, to which the Company or any Canadian Subsidiary is a party, or to which the property of the Company or any Canadian Subsidiary is subject, before or brought by any court or governmental agency or body, domestic or foreign, which might reasonably be expected to result in a Material Adverse Effect, or which might reasonably be expected to materially and adversely affect the properties or assets of the Company or any Canadian Subsidiary or the consummation of the transactions contemplated in the Underwriting Agreement or the performance by the Company of its obligations thereunder.

9. The Canadian Prospectus and the Supplementary Material in connection with the offering of the Securities (including the PREP Information, but excluding the financial statements and other financial data included or incorporated therein or omitted therefrom, as to which such counsel need not express any opinion) comply as to form in all material respects to the requirements, including the PREP Procedures, of Canadian Securities Laws.

10. The documents incorporated by reference in the Canadian Prospectus as amended or supplemented (other than the financial statements and other financial data included or incorporated or deemed to be incorporated therein, as to which such counsel need not express any opinion), when they were filed with the Reviewing Authority and the Qualifying Authorities, complied as to form in all material respects to the formal requirements of the securities laws, rules and regulations of the Province of British Columbia as interpreted and applied by the Reviewing Authority and of the Qualifying Provinces as interpreted and applied by the relevant Qualifying Authority under published policy statements.

11. Assuming the Company has complied with its disclosure obligations under Canadian Securities Laws, and that there has been no material change since the date of filing of the Canadian Prospectus, (i) the Canadian Prospectus (including the documents incorporated by reference therein) is the entire disclosure document required to offer the Securities in the Qualifying Provinces, and (ii) the exhibits to the Registration Statement include (A) all reports or information that in accordance with the requirements of the Reviewing Authority are required to be made publicly available in connection with the offering of the Securities and (B) all publicly available disclosure documents filed in connection with the offering of the Securities with the Reviewing Authority or the Qualifying Authorities.

12. The information in the U.S. Prospectus and the Canadian Prospectus under the captions "Income Tax Considerations for U.S. Shareholders - Canadian Federal Income Tax Considerations" and "Description of Share Capital" and in the Canadian Prospectus under the caption "Eligibility for Investment", to the extent that it constitutes matters of law, or summaries of legal matters, the Company's constating documents or legal conclusions, has been reviewed by such counsel and is accurate in all material respects. All other statements in the Canadian Prospectus describing Canadian statutes, regulations, legal or governmental proceedings or contracts or other documents to which the Company is a party, to the extent that such statements constitute matters of law or legal conclusions, such statements fairly present the information disclosed therein and insofar as such statements purport to describe the provisions of laws or documents referred to therein, such statements are accurate in all material respects. The information in the Registration Statement under "Part II - Information Not Required to Be Delivered to Offerees or Purchasers - Indemnification" is accurate in all material respects.

13. To the knowledge of such counsel, there are no Canadian statutes or regulations that are required to be described in the Canadian Prospectus that are not described as required.

14. To the knowledge of such counsel, neither the Company nor any Canadian Subsidiary is in violation of its constituting documents or by-laws and no default by the Company or any Canadian Subsidiary exists in the due performance or observance of any material obligation, agreement, covenant or condition in any contract, indenture, mortgage, loan agreement, note, lease or other agreement or instrument to which the Company or any Canadian Subsidiary is a party, except for defaults that would not result in a Material Adverse Effect.

15. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency in Canada is necessary or required to be made or obtained by the Company or the Selling Shareholder in connection with the due authorization, execution and delivery of this Agreement or for the offering, sale or delivery of the Securities, except for such filings of insider reports as may be required to be made by Mr. Ritchie or the Selling Shareholder after the date of such opinion under applicable Canadian Securities Laws.

16. The execution, delivery and performance of this Agreement by the Company, Mr. Ritchie and the Selling Shareholder and the consummation of the transactions contemplated in this Agreement and in the Registration Statement (including the sale of the Securities) by the

Company, Mr. Ritchie and the Selling Shareholder and compliance by the Company with its obligations under this Agreement do not and will not

(i) conflict with or result in any violation of the provisions of the constating documents of the Company or any Canadian Subsidiary or of the Selling Shareholder, or (ii) materially conflict with any applicable law, statute, rule, regulation, judgment, order, writ or decree, known to such counsel, of any government, government instrumentality or court in Canada having jurisdiction over the Company or any Canadian Subsidiary or of the Selling Shareholder or any of their respective properties, assets or operations.

17. To the knowledge of such counsel, the sale of the Securities is not subject to pre-emptive or other similar rights of any securityholder of the Company.

18. To the knowledge of such counsel, after due inquiry, no order having the effect of ceasing or suspending the distribution of the Securities or the trading in the Common Shares has been issued by any securities regulatory authority in the Qualifying Provinces and no proceedings for that purpose have been instituted or are pending or contemplated.

19. The Toronto Stock Exchange has conditionally approved the listing of the Common Shares.

20. The Company is a "reporting issuer" under the securities legislation of the Province of British Columbia and is not in default under such legislation with respect to the filing of financial statements or the payment of prescribed fees and charges related to those filings.

21. To the knowledge of such counsel, there are no persons with registration rights or other similar rights to have any securities registered pursuant to the Registration Statement or otherwise registered by the Company under the 1933 Act or qualified for distribution under Canadian Securities Laws.

22. A court of competent jurisdiction in the Province of British Columbia (a "British Columbia Court") would give effect to the choice of the law of the State of New York ("New York law") as the governing law of contract claims under the Underwriting Agreement, provided that such choice of law is bona fide (in the sense that it was not made with a view to avoiding the consequences of the laws of any other jurisdiction) and provided that such choice of law is not contrary to public policy, as that term is applied by a British Columbia Court ("Public Policy"). In such counsel's opinion, there is no reason under the laws of the Province of British Columbia or the federal laws of Canada applicable therein for a British Columbia Court not to give effect to the choice of New York law to govern the Underwriting Agreement, subject to the aforementioned provisos.

23. In an action on a final and conclusive judgment in personam of any federal or state court in the State of New York (a "New York Court") that is not impeachable as void or voidable under New York law, a British Columbia Court would give effect to the appointment by the Company of Robert K. Whitsit as its agent to receive service of process in the United States of America under the Underwriting Agreement and to the provisions in the Underwriting Agreement whereby the Company submits to the non-exclusive jurisdiction of a New York Court.

24. If the Underwriting Agreement is sought to be enforced in the Province of British Columbia in accordance with the laws applicable thereto as chosen by the parties, namely New York law, a British Columbia Court would, subject to paragraph 22 above, recognize the choice of New York law and, upon appropriate evidence as to such law being adduced, apply such law, provided that none of the provisions of the Underwriting Agreement, or of applicable New York law, are contrary to Public Policy, provided, however, that, in matters of procedure, the laws of the Province of British Columbia will be applied, and a British Columbia Court will retain discretion to decline to hear such action if it is contrary to Public Policy for it to do so, or if it is not the proper forum to hear such an action, or if concurrent proceedings are being brought elsewhere.

25. The laws of the Province of British Columbia and the federal laws of Canada applicable therein permit an action to be brought in a British Columbia Court on a final and conclusive judgment in personam of a New York Court that is subsisting and unsatisfied respecting the enforcement of the Underwriting Agreement that is not impeachable as void or voidable under New York law for a sum certain if: (A) the New York Court that rendered such judgment had jurisdiction over the judgment debtor, as recognized by a British Columbia Court; (B) such judgment was not obtained by fraud or in a manner contrary to natural justice and the enforcement thereof would not be inconsistent with Public Policy or contrary to any order made by the Attorney-General of Canada under the Foreign Extraterritorial Measures Act (Canada) or the Competition Tribunal under the Competition Act (Canada); (C) the enforcement of such judgment in the Province of British Columbia does not constitute, directly or indirectly, the enforcement of foreign revenue, expropriatory or penal laws; (D) in an action to enforce a default judgment, the judgment does not contain a manifest error on its face; (E) the enforcement of such judgment in the Province of British Columbia does not result in giving foreign laws extra-territorial effect; and (F) the action to enforce such judgment is commenced within six years of the date of such judgment, except that a British Columbia Court may stay an action to enforce a foreign judgment if an appeal is pending or the time for appeal has not expired, provided that under the Currency Act (Canada), a British Columbia Court may only give judgment in Canadian dollars.

26. As of the Closing Time, all laws of the Province of Quebec relating to the use of the French language will have been complied with in connection with the offering and sale of the Securities to purchasers in the Province of Quebec if such purchasers receive copies of the French and English language versions of the Canadian Prospectus and forms of order and confirmation in the French language or a bilingual form or copies of the French language version of the Canadian Prospectus and forms of order and confirmation in the French language only or, in the case of individuals so requesting in writing, copies of the English language version of the Canadian Prospectus and forms of order and confirmation in the English language or in a bilingual form, on the assumption that no documents other than the Canadian Prospectus and the forms of order and confirmation constitute the contract for purchase of the Securities.

27. The French language version of the Canadian Prospectus (except for the financial information provided by KPMG LLP, Chartered Accountants) is in all material respects a complete and accurate translation of the English language version thereof.

28. No stamp or other issuance or transfer taxes or duties or withholding taxes are payable by or on behalf of the Underwriters to the Government of Canada or the Government of British Columbia or any political subdivision thereof or any authority or agency thereof or therein having power to tax in connection with (A) the sale and delivery of the Securities by the Selling Shareholder to or for the respective accounts of the Underwriters or (B) the sale and delivery outside Canada by the Underwriters of the Securities in the manner contemplated in the Underwriting Agreement.

29. Such counsel have participated in the preparation of the Registration Statement, the U.S. Prospectus and the Canadian Prospectus and in telephone conferences with officers and other representatives of the Company, representatives of the independent chartered accountants for the Company, and representatives of the Underwriters, at which the contents of the Registration Statement, the U.S. Prospectus and the Canadian Prospectus, and related matters were discussed and, although such counsel are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement, the U.S. Prospectus and the Canadian Prospectus except as set forth in paragraphs 6 and 12 above, on the basis of the foregoing no information has come to such counsel's attention that causes them to believe that, (A) the Registration Statement (except for the financial statements and other financial data included or incorporated therein or omitted therefrom, as to which such counsel need express no belief), at the time the Registration Statement became effective under the 1933 Act, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or (B) the U.S. Prospectus and the Canadian Prospectus as amended or supplemented prior to the Closing Time (except for the financial statements and other financial data included or incorporated therein or omitted therefrom, as to which such counsel need express no belief), as of the date of the U.S. Prospectus and the Canadian Prospectus or the date hereof contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In rendering such opinion, such counsel may rely (A) as to all matters governed by the laws of jurisdictions other than the laws of the Provinces of British Columbia, Alberta, Ontario and Quebec and the federal laws of Canada applicable therein, upon opinions of local counsel, who shall be counsel satisfactory to counsel for the Underwriters (which opinions shall be dated and furnished to the Underwriters on the Closing Date, shall be satisfactory in form and substance to counsel for the Underwriters and shall expressly state that the Underwriters may rely on such opinions as if they were addressed to them), provided that McCarthy Tétrault shall state in their opinion that they believe that they and the Underwriters are justified in relying upon such opinions, and (B), as to matters of fact (but not as to legal conclusions), to the extent they deem proper, on certificates of responsible officers of the Company, Mr. Ritchie, the Selling Shareholder and public officials. Such opinion shall not state that it is to be governed or qualified by, or that it is otherwise subject to, any treatise, written policy or other document relating to legal opinions.

EXHIBIT B

**FORM OF OPINION OF U.S. COUNSEL
TO THE COMPANY, MR. RITCHIE AND THE SELLING SHAREHOLDER
TO BE DELIVERED PURSUANT TO
SECTION 5(c)**

1. The subsidiaries listed in Schedule C as U.S. Subsidiaries and identified therein as "Significant Subsidiaries" (each a "U.S. Subsidiary"), have been duly incorporated and are validly existing under the laws of the jurisdiction of their incorporation, have corporate power and authority to own, lease and operate their properties and to conduct their business as described in the U.S. Prospectus and are duly qualified as foreign corporation to transact business and are in good standing in each jurisdiction set forth in a schedule to such opinion, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect; except as otherwise disclosed in the Registration Statement, all of the issued and outstanding capital stock of each U.S. Subsidiary has been duly authorized and validly issued, is fully paid and non-assessable and, to the knowledge of such counsel, is owned by the Company, directly or through subsidiaries, free and clear of any material security interest, mortgage, pledge, lien, encumbrance, claim or equity; to the knowledge of such counsel, none of the outstanding shares of capital stock of any U.S. Subsidiary was issued in violation of the preemptive or similar rights of any securityholder of such U.S. Subsidiary.
2. The Registration Statement is effective under the 1933 Act pursuant to Rule 467(a) and the Form F-X was filed with the SEC prior to the effectiveness of the Registration Statement; any required filing of the U.S. Prospectus or any supplement thereto pursuant to General Instruction II.L. of Form F-10 has been made in the manner and within the time period required by said General Instruction II.L.; and, to the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or threatened by the SEC.
3. The Registration Statement, the U.S. Prospectus and each amendment or supplement to the Registration Statement and U.S. Prospectus as of their respective effective or issue dates (other than the financial statements and schedules and other financial and statistical data included or incorporated therein or omitted therefrom, as to which such counsel need express no opinion) complied as to form in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations.
4. The Form F-X complies as to form in all material respects with the applicable requirements of the 1933 Act and the 1933 Act Regulations.
5. The form of certificate used to evidence the Common Shares complies in all material respects with the requirements of the NYSE.

6. The information in the U.S. Prospectus under the heading "Income Tax Considerations - United States Federal Income Tax Considerations", to the extent that it constitutes matters of law, summaries of legal matters or legal conclusions, has been reviewed by such counsel and is correct in all material respects.

7. To the knowledge of such counsel, none of the U.S. Subsidiaries is in violation of its charter or by-laws.

8. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency in the United States (other than under the 1933 Act and the 1933 Act Regulations, which have been obtained, or as may be required under the securities or blue sky laws of the various states or by the NASD, as to which such counsel need not express any opinion) is necessary or required in connection with the offering, sale or delivery of the Securities.

9. To the knowledge of such counsel, there are no persons with registration rights or other similar rights to have any securities registered pursuant to the Registration Statement or otherwise registered by the Company under the 1933 Act.

10. The Company is not an "investment company" or an entity "controlled" by an "investment company", as such terms are defined in the 1940 Act.

In rendering such opinion, such counsel may rely as to matters of fact (but not as to legal conclusions), to the extent they deem proper, on certificates of executive officers of the Company and public officials and on the Company's representations and warranties in the Underwriting Agreement. Such opinion shall not state that it is to be governed or qualified by, or that it is otherwise subject to, any treatise, written policy or other document relating to legal opinions, including, without limitation, the Legal Opinion Accord of the ABA Section of Business Law (1991).

EXHIBIT C

FORM OF LOCK-UP LETTER

January 10, 2004

Raymond James Ltd.
CIBC World Markets Inc.
William Blair & Company, L.L.C.
Scotia Capital Inc.

c/o Raymond James Ltd.
2300 - 925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

Ladies and Gentlemen:

The undersigned shareholder, director or executive officer of Ritchie Bros. Auctioneers Incorporated, a company amalgamated under the Canada Business Corporations Act (the "Company"), understands that an Underwriting Agreement (the "Underwriting Agreement") will be executed by the Company, David E. Ritchie, the Selling Shareholder named therein and Raymond James Ltd, CIBC World Markets Inc., William Blair & Company, L.L.C. and Scotia Capital Inc., (collectively, the "Underwriters"), providing for the secondary public offering (the "Offering") of 1,739,130 common shares of the Company held by the Selling Shareholder ("Common Shares") in the United States pursuant to a registration statement on Form F-10 and in each of the provinces of Canada pursuant to a Canadian prospectus.

This Lock-Up Letter Agreement is being entered into in accordance with Section 5(m) of the Underwriting Agreement at the request of the Underwriters.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees with each Underwriter that, without the prior written consent of Raymond James Ltd., the undersigned will not, directly or indirectly, (i) offer, pledge, sell (including any sale pursuant to Rule 144 under the Securities Act of 1933, as amended), contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, announce any intention to sell, grant any option, right or warrant for the sale of, or otherwise dispose of or transfer any Common Shares (including, without limitation, Common Shares which may be deemed to be beneficially owned by such shareholder in accordance with the rules and regulations of the Securities and Exchange Commission or the securities legislation of any province or territory of Canada and Common Shares that may be issued upon exercise of any option or warrant) or any securities convertible into or exchangeable or exercisable for Common Shares, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition, or file a registration statement or prospectus with respect to any

of the foregoing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Common Shares, whether any such swap or transaction is to be settled by delivery of Common Shares or other securities, in cash or otherwise, for a period commencing the date of the Underwriting Agreement and ending 90 days thereafter.

Notwithstanding anything else contained in this Lock-Up Letter Agreement, this Lock-Up Letter Agreement shall not apply to the exercise of options granted prior to the date hereof, or the subsequent sale of any securities received upon the exercise of such previously granted options.

The undersigned understands that the Company, the Selling Shareholder and the Underwriters will proceed with the Offering in reliance on this Lock-Up Letter Agreement.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Letter Agreement and that, upon request, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement hereof. Any obligations of the undersigned shall be binding upon the successors and assigns of the undersigned.

This Lock-Up Letter Agreement has been entered into on the date first written above.

Very truly yours,

By:

Name:

Title:

C-2

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Underwriters, the Company, Mr. Ritchie and the Selling Shareholder in accordance with its terms.

Very truly yours,

RITCHIE BROS. AUCTIONEERS INCORPORATED

By:

Name:

Title:

DAVID E. RITCHIE

WARM SPRINGS INVESTMENTS LTD.

By:

David E. Ritchie President

CONFIRMED AND ACCEPTED,

as of the date first above written:

By: RAYMOND JAMES LTD.

By: CIBC WORLD MARKETS INC.

By: _____

By: _____

Name:
Title:

Name:
Title:

By: WILLIAM BLAIR & COMPANY, L.L.C.

By: SCOTIA CAPITAL (USA) INC.

By: _____

By: _____

Name:

Name:

Title: Title:

Exhibit 5.1

INDEPENDENT AUDITORS' CONSENT

The Board of Directors
Ritchie Bros. Auctioneers Incorporated

We consent to the use of our reports dated February 14, 2003, with respect to the:

1. Consolidated balance sheets of Ritchie Bros. Auctioneers Incorporated as at December 31, 2002 and 2001, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2002, and
2. Item 18 -- Reconciliation with United States Generally Accepted Accounting Principles as at December 31, 2002 and 2001 and for each of the years in the three year period ended December 31, 2002,

incorporated herein by reference and to the reference to our firm under the heading "Experts" in the prospectus.

(signed) KPMG LLP

Chartered Accountants

Vancouver, Canada
January 23, 2004