

EARLY WARNING REPORT

Made Pursuant To
Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids* and
National Instrument 62-103 – *The Early Warning System and Related Take-Over bid and Insider*
Reporting Issues

RELATING TO THE ACQUISITION OF SECURITIES
IN THE CAPITAL OF ONA POWER CORP.

1. Name and address of offeror:

Grand Peak Capital Corp.
8338 120th Street
Surrey, BC V3W 2N4
(the “**Offeror**”)

2. The designation and number or principal amount of securities and the Offeror’s securityholding percentage in the class of securities of which the Offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file this Report, and whether it was ownership or control that was acquired in those circumstances:

On January 7, 2011, through a non-brokered private placement, Grand Peak Capital Corp. acquired 4,000,000 units (the “Units”) of Ona Power Corp. (the “**Company**”) at a price of \$0.05 per Unit; each Unit consisted of one common share (a “**Share**”) and one warrant (a “**Warrant**”). Each Warrant entitles the Offeror to acquire one additional Share at a price of \$0.05 per share, exercisable until January 7, 2016. The Offeror has beneficial ownership of 8.22% of the issued outstanding shares of the Company.

On September 27, 2010, a subsidiary of the Offeror, 0808964 BC Ltd. (the “**Subsidiary**”) subscribed to a non-brokered private placement in the Company and acquired 3,500,000 common shares at a price of \$0.075 per share and warrants to acquire 3,500,000 shares of the Company at a price of \$0.075 per share, exercisable until September 27, 2012. As such, through its Subsidiary, the Offeror has control or direction over an additional 7.19% of the issued and outstanding shares in the Company.

Currently, the Offeror beneficially owns or has control or direction over 15,000,000 issued and outstanding shares of the Company, representing approximately 15.41% of the issued and outstanding voting securities of the Company.

3. The designation and number or principal amount of securities and the Offeror’s securityholding percentage in the class of securities immediately after the transaction or occurrence:

After the transaction giving rise to obligation to file the news release (the “**Transaction**”), the Offeror owns or has control or direction over 15,000,000 Shares of the Company, which represents approximately 15.41% of the outstanding number of Shares of the Company.

4. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in Item 3 over which:

- a. the Offeror, either alone or together with any joint actors, has ownership and control;**

15,000,000 common shares

- b. the Offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the Offeror or any joint actor, and**

This is not applicable to the Offeror.

- c. the Offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership;**

This is not applicable to the Offeror.

5. Name of the market in which the transaction or occurrence took place:

The transaction was the result of a private placement.

- a. the value, in Canadian dollars, of any consideration offered per security if the Offeror acquired ownership of a security in the transaction or occurrence;**

CAD \$0.05 per Unit

6. The purpose of the Offeror and any joint actors in effecting the transaction or occurrence, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:

The Shares were acquired for investment purposes and the Offeror may increase or decrease its beneficial ownership or control depending on market or other conditions.

7. The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the Offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:

There is no agreement, arrangement, commitment, or understanding with respect to the voting of any of its securities of the Company.

8. The names of any joint actors in connection with the disclosure required herein:

This is not applicable to the Offeror.

9. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the Offeror:

The Offeror paid an aggregate total of \$200,000 for 4,000,000 Units as such units are defined in Item 2, above.

The Offeror's Subsidiary paid an aggregate total of \$262,500 for 3,500,000 Units as such units are defined in Item 2, above.

10. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 of National Instrument 62-103 in respect of the reporting issuer's securities:

This is not applicable to the Offeror.

11. If applicable, a description of the exemption from securities legislation being relied on by the Offeror and the facts supporting that reliance:

The Offeror relied upon the prospectus and registration exemptions as described in Subsection 2.3(1) of National Instrument 45-106 – *Prospectus and Registration Exemptions* ("NI 45-106"), as the Offeror is an accredited investor as defined in NI 45-106.

Dated January 17, 2011

"Sonny Janda"

Authorized Signatory