AGENCY AGREEMENT

February 28, 2011

VendTek Systems Inc.
507 – 1952 Kingsway Avenue
Port Coquitlam, BC V3C 1S5

Attention: Mr. Douglas Buchanan, President and Chief Executive Officer

Dear Sir:

Further to a letter agreement dated February 17, 2011 between VendTek Systems Inc. (the "**Corporation**") and Versant Partners Inc. ("**Versant**" or the "**Lead Agent**"), the Corporation agrees to, among other things, issue and sell 1,695,000 units (the "**Units**") of the Corporation at a purchase price of Cdn.$0.60 per Unit (the "**Offering Price**") for aggregate gross proceeds of Cdn.$1,017,000. Each Unit is comprised of one Common Share (as hereinafter defined) (a "**Unit Share**") and one half of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**"). Each Warrant is exercisable for one Common Share, subject to adjustment (each a "**Warrant Share**"), at a price of Cdn.$0.75 per Common Share at any time prior to 5:00 p.m. (Vancouver time) on the date which is 36 months from the Closing Date (as hereinafter defined). The issue and sale of the Units at the Offering Price is referred to herein as the "**Offering**". A summary of certain key terms of the Warrants is set forth in Schedule "A" hereto. The Agents (as hereinafter defined) and the Corporation agree that Schedule "A" forms a part of this Agreement.

Subject to the terms and conditions hereof, Versant and MGI Securities Inc. (together with Versant, the "**Agents**") agree to act, and the Corporation appoints the Agents as, the exclusive agents of the Corporation to offer, on a commercially reasonable best efforts basis and in accordance with the terms hereof, the Units for sale on the Closing Date in the Selling Jurisdictions (as hereinafter defined) on a private placement basis at the Offering Price. The Corporation acknowledges that the Agents shall be under no obligation to purchase any of the Units. The Agents shall be entitled in connection with the offering and sale of the Units to retain as sub-agents other registered securities or investment dealers and may receive (for delivery to the Corporation at the Closing Time (as defined below)) subscriptions for Units from Subscribers (as defined below) from other registered dealers. The fees payable to such sub-agents shall be for the account of the Agents.

In consideration for their services hereunder the Agents shall be entitled to the fee provided for in Section 3 hereof, which fee shall be payable from the gross proceeds of the Offering at the time and in the manner specified herein.

TERMS AND CONDITIONS

1. Interpretation

In this Agreement,

"**affiliate**", and "**associate**" shall have the respective meanings ascribed thereto in the *Securities Act* (Ontario);

"**Agency Fee**" has the meaning ascribed thereto in Section 3 of this Agreement;

"**Agents**" and "**Lead Agent**" have the meanings ascribed thereto on page 1 of this Agreement;

"**Agreement**" means this agency agreement between the Corporation and the Agents dated as of the date hereof;

"**Applicable Securities Laws**" means, collectively, the applicable securities laws of each of the Selling Jurisdictions and, in each case, the respective regulations, rules and orders made and forms prescribed thereunder together with all applicable published policy statements, blanket orders and rulings of the securities regulators in the Selling Jurisdictions;

"**to the best of the Corporation's knowledge**" or "**to the Corporation's knowledge**" or "**known to the Corporation**" or similar language describing facts known to the Corporation or its agents and associates, means matters relating to the Corporation that are known to any of the Corporation's current president, principal executive officer or principal financial officer;

"**Business Day**" means a day on which the major banks are open in Toronto, Ontario or Vancouver, British Columbia and which is not a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario or Vancouver, British Columbia;

"**Closing**" means the completion of the issue and sale by the Corporation of the Units from time to time;

"**Closing Date**" means the date hereof and/or such other date or dates as the Corporation and the Agents may agree upon in writing;

"**Closing Time**" means 10:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Corporation and the Agents may agree;

"**Common Shares**" means common shares of no par value in the capital of the Corporation;

"**Corporation**" means VendTek Systems Inc., a corporation incorporated under the laws of the Province of British Columbia;

"**Corporation's Auditors**" means such firm of accountants as the Corporation may have appointed or may from time to time appoint as auditors of the Corporation;

"**Due Diligence Session**" has the meaning ascribed thereto in subsection 5(ii);

"**Engagement Letter**" means the letter agreements dated January 14, 2011 and February 17, 2011 between the Lead Agent and the Corporation;

"**Exchange**" means the TSX Venture Exchange;

"**Financial Statements**" means the audited financial statements of the Corporation for the years ended October 31, 2010 and 2009;

"**Indemnified Party**" has the meaning ascribed thereto in Section 11 of this Agreement;

"**Intellectual Property**" means intellectual property rights, including: (i) all patents and inventions, including but not limited to the eFresh™ software and distribution system; (ii) trademarks, service marks, trade dress, trade names, corporate names, logos, slogans and Internet domain names, together with all goodwill associated with each of the foregoing; (iii) copyrights and copyrightable works in whatever form or medium; (iv) registrations, applications and renewals for any of the foregoing; (v) proprietary computer software (including but not limited to data, data bases and documentation); and (vi) trade secrets, confidential information and know-how;

"**Leased Premises**" has the meaning ascribed thereto in subsection 5(s);

"**Material Adverse Effect**" means any change, effect, event, occurrence or change in a state of facts with respect to the Corporation or any subsidiary of the Corporation that is, or would reasonably be expected to be, individually or in the aggregate, material and adverse to the business, operations, financial condition, results, assets, properties, rights, liabilities or prospects of the Corporation, on a consolidated basis;

"**material change**" means a material change for the purposes of the Applicable Securities Laws or any of them or where undefined under the Applicable Securities Laws of a jurisdiction means a change in the business, operations or capital of the Corporation or any subsidiary of the Corporation that would reasonably be expected to have a significant effect on the market price or value of the Corporation's securities and includes a decision to implement such a change made by the Corporation's board of directors or by senior management of the Corporation who believe that confirmation of the decision by the board of directors is probable;

"**material fact**" means a material fact for the purposes of the Applicable Securities Laws or any of them or where undefined under the Applicable Securities Laws of a jurisdiction means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the Corporation's securities;

"**Material Subsidiaries**" means VendTek Industries Inc., VendTek Systems Technologies (Beijing) Co. Ltd. and Now Prepay Servicos de Informatica Ltda. and "**Material Subsidiary**" means any one of them;

"**misrepresentation**" means a misrepresentation for the purposes of the Applicable Securities Laws or any of them or where undefined under the Applicable Securities Laws of a jurisdiction means (i) an untrue statement of a material fact, or (ii) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made;

"**Notice**" has the meaning ascribed thereto in Section 18 of this Agreement;

"**Offering**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Offering Price**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Outstanding Common Shares**" means the issued and outstanding Common Shares of the Corporation;

"**person**" means an individual, firm, corporation, company, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or an agency or political subdivision thereof and every other form of legal or business entity of any nature or kind whatsoever;

"**Public Information Records**" means the material change reports, financial statements, management's discussion and analysis, prospectuses, management information circulars, annual and interim reports to shareholders, press releases, and any other document filed by or on behalf of the Corporation since January 1, 2010 on SEDAR, in compliance, or intended compliance, with any Applicable Securities Laws;

"**Securities**" means and includes, individually and collectively, the Units, the Unit Shares, the Warrants and the Warrant Shares;

"Securities Commissions" means the securities commissions or similar regulatory authorities in the Selling Jurisdictions;

"Selling Jurisdictions" means the Provinces of Alberta and British Columbia and such other jurisdictions as the Lead Agent and the Corporation may agree;

"Subscriber" means any person who executes a Subscription Agreement which is accepted by the Corporation;

"Subscription Agreements" means the agreements in the forms mutually acceptable to the Corporation and the Agents to be entered into between the Subscribers and the Corporation with respect to the offering of the Units in the Selling Jurisdictions;

"**Taxes**" has the meaning ascribed thereto in subsection 5(j) of this Agreement;

"**Transaction Documents**" has the meaning ascribed thereto in subsection 5(a) of this Agreement;

"**Units**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Unit Share**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Versant**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Warrant**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Warrant Shares**" has the meaning ascribed thereto in the first paragraph of this Agreement; and

"**Warrant Certificate**" means the form of certificate representing the Warrants, which contains the terms and conditions of the Warrants.

Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and vice versa and words importing gender include all genders. References to "Sections", "subsections" or "clauses" are to the appropriate section, subsection or clause of this Agreement.

The following are the schedules attached to this Agreement, which schedules are deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule "A" -	Term Sheet for Units
Schedule "B" -	Intellectual Property

2. Appointment of Agents

Based upon the foregoing and subject to the terms and conditions set out below, the Corporation hereby appoints the Agents and the Agents hereby accept such appointment, to effect the sale of the Units at the Offering Price, on a commercially reasonable best efforts basis to persons resident in the Selling Jurisdictions. Each Subscriber shall purchase the Units under a private placement exemption identified in National Instrument 45-106 – *Prospectus and Registration Exemptions*. The Agents agree to use their best efforts to sell the Units, but it is hereby understood and agreed that the Agents shall act as agent only and are under no obligation to purchase any of the Units, although the Agents may, subject to applicable laws, subscribe for Units.

3. Agents' Compensation

In consideration for the Agents' services hereunder, the Corporation agrees to pay to the Agents a fee payable in cash on the Closing Date equal to 5% of the gross proceeds of Units sold pursuant to the Offering (the "**Agency Fee**").

4. Representations, Warranties, Covenants and Obligations of the Agent

Each of the Agents hereby covenants to the Corporation as follows:

(a) it will offer the Units for sale on behalf of the Corporation only to Subscribers who will purchase such Units under the private placement exemptions or such other exemptions available under Applicable Securities Laws;

(b) it has and will conduct activities in connection with the proposed offering and sale of the Units in compliance with all Applicable Securities Laws in the Selling Jurisdictions and the rules of the Investment Industry Regulatory Organization of

Canada applicable to the Agents and other laws and regulations or similar enactments applicable in respect of the Offering in each of the jurisdictions in which it may offer or sell the Units and, without limitation, agrees that it will not make available to prospective purchasers of the Units any document or material which would constitute, or require the Corporation to prepare, an offering memorandum as defined under Applicable Securities Laws in the Selling Jurisdictions, nor will it solicit or procure subscriptions for Units so as to require the registration thereof or the filing of a prospectus or offering memorandum with respect thereto under the laws of any jurisdiction;

(c) it will not advertise the proposed sale of the Units or other Securities in printed media of general and regular paid circulation, radio, television or telecommunications (including electronic display) or otherwise;

(d) it will provide to each Subscriber the "connected issuer" disclosure required pursuant to National Instrument 33-105 – *Underwriting Conflicts*;

(e) it will obtain from each Subscriber an executed Subscription Agreement and all applicable undertakings, questionnaires and other forms required under Applicable Securities Laws and supplied to the Agents for completion in connection with the distribution of the Units and deliver such Subscription Agreements and other forms to the Corporation;

(f) it will not solicit subscriptions for Units or other Securities except in accordance with the terms and conditions of this Agreement;

(g) it will not, in connection with the Offering, make any representation or warranty with respect to the Units or other Securities or the Corporation in connection with the completed sales;

(h) it has good and sufficient right and authority to enter into this Agreement and to complete the transactions contemplated under this Agreement on the terms and conditions set forth herein;

(i) subject to the terms and conditions of this Agreement and the Subscription Agreements, it will release to the Corporation at the Closing Time the subscription funds received from the sale of the Units; and

(j) it will provide to the Corporation all necessary information in respect of such Agents and the Subscribers to allow the Corporation to file, with the Securities Commissions, if required, reports of the sale of the Units and the other Securities in accordance with the Applicable Securities Laws within ten days of the Closing.

Each of the Agents represents and warrants to the Corporation that it is duly qualified and registered in accordance with Applicable Securities Laws to solicit and procure subscriptions for the Units in the Selling Jurisdictions in connection with the Offering. Each of the Agents also represents and warrants that it is an "accredited investor" as such term is defined under National

Instrument 45-106 by virtue of being a person registered as a dealer under the Applicable Securities Laws.

5. Representations and Warranties of the Corporation

Except as disclosed in writing to the Agents, the Corporation represents and warrants to the Agents and the Subscribers, and acknowledges that the Agents and the Subscribers are relying upon such representations and warranties in connection with the purchase and sale of the Units, as of the Closing Date as follows:

(a) each of the Corporation and the Material Subsidiaries is a corporation duly incorporated, continued or amalgamated and validly existing under the laws of the jurisdiction in which it was incorporated, continued or amalgamated, as the case may be, has all requisite corporate power and authority and is duly qualified and holds all necessary material permits, licences and authorizations necessary or required to carry on its business as now conducted and to own, lease or operate its properties and assets and no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing its dissolution or winding up, and the Corporation has all requisite power and authority to enter into each of this Agreement, the Subscription Agreements, and the Warrant Certificates (collectively, the "**Transaction Documents**") and to carry out its obligations hereunder and thereunder;

(b) each of the Material Subsidiaries is wholly-owned, directly or indirectly, by the Corporation;

(c) all of the issued and outstanding shares of the Material Subsidiaries are issued as fully paid and non-assessable shares, in each case free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever and no person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from the Corporation or any of the Material Subsidiaries of any interest in any of the shares in the capital of any of the Material Subsidiaries;

(d) other than the Material Subsidiaries, the only subsidiaries of the Corporation are VendTek Systems Asia Pacific (Singapore) Pte Ltd. and Gulf Prepay Networks, both of which are wholly-owned by the Corporation and neither of which presently carries on business or has any assets, liabilities or other obligations of any kind;

(e) the execution and delivery of the Transaction Documents, the performance by the Corporation of its obligations hereunder and thereunder, the issue and sale of the Unit Shares and the Warrants underlying the Units, the performance by the Corporation of its obligations under the Warrant Certificates and the consummation of the transactions contemplated by the Transaction Documents, do not and will not:

(i) require any consent, approval, authorization, registration or qualification of or with any Securities Commission or other regulatory commission or agency or any third party except those that have been obtained (or will be obtained prior to the Closing Time); or

(ii) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a material default under (whether after notice or lapse of time or both) (A) any statute, rule or regulation applicable to the Corporation including, without limitation, Applicable Securities Laws; (B) the constating documents or resolutions of the Corporation which are in effect at the date hereof; (C) any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Corporation or a Material Subsidiary is a party or by which any of them are bound; or (D) any judgment, decree or order binding the Corporation or the property or assets of the Corporation;

(f) the Corporation is, and will at the Closing Time be, a reporting issuer in good standing in each of the Provinces of British Columbia and Alberta, and (i) is in compliance, including with respect to its Public Information Records, as of their respective dates with all applicable Securities Laws, (ii) has not filed any confidential material change reports, and (iii) the Public Information Records, as of their respective dates, do not contain any misrepresentation;

(g) the authorized capital of the Corporation consists of an unlimited number Common Shares of no par value and an unlimited number of preferred shares of no par value of which, as at the close of business on the Business Day immediately preceding the date hereof, 47,324,461 Common Shares and no preferred shares were issued and outstanding as fully paid and non-assessable shares of the capital of the Corporation, and 11,202,625 Common Shares are reserved for issuance upon the conversion, exchange or exercise of outstanding securities of the Corporation;

(h) none of the Corporation or any Material Subsidiary has approved, is contemplating, has entered into any agreement in respect of, or has any knowledge of:

(i) the purchase of any property material to the Corporation or assets or any interest therein or the sale, transfer or other disposition of any property material to the Corporation or assets or any interest therein currently owned, directly or indirectly, by the Corporation whether by asset sale, transfer or sale of shares or otherwise; or

(ii) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Corporation or any Material Subsidiary or otherwise) of the Corporation or the Material Subsidiaries;

(i) the Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles and present fully, fairly and correctly in all material respects, the financial condition of the Corporation as at the dates thereof and the results of the operations and the changes in the financial position of the Corporation for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation and there has been no change in accounting policies or practices of the Corporation since October 31, 2010;

(j) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Corporation have been paid, except where the failure to pay such taxes would not constitute an adverse material fact in respect of the Corporation or have a Material Adverse Effect on the Corporation. All tax returns, declarations, remittances and filings required to be filed by the Corporation have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading, except where such failure would not constitute an adverse material fact in respect of the Corporation or have a Material Adverse Effect on the Corporation. To the best of the Corporation's knowledge, no examination of any tax return of the Corporation is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any taxes that have been paid, or may be payable, by the Corporation, in any case, except where such examinations, issues or disputes would not constitute an adverse material fact in respect of the Corporation or have a Material Adverse Effect on the Corporation;

(k) the Corporation's Auditors are independent public accountants and have participant status with the Canadian Public Accountability Board as required under Applicable Securities Laws and there has never been a reportable event or equivalent thereof under Applicable Securities Laws (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) between the Corporation and the Corporation's Auditors;

(l) no holder of outstanding shares in the capital of the Corporation, or any other person, will be entitled to any pre-emptive or any similar rights to subscribe for any Units or other securities of the Corporation and, except as has been disclosed in the Public Information Record, no rights, warrants or options to acquire, or instruments convertible into or exchangeable for, any shares in the capital of the Corporation are outstanding;

(m) no litigation, legal or governmental proceedings or inquiries are pending to which the Corporation or any of the Material Subsidiaries is a party or to which its property is subject that would result in the revocation or modification of any material certificate, right, authority, permit or license necessary to conduct the business now owned or operated by the Corporation which, if the subject of an unfavourable decision, ruling or finding would have a Material Adverse Effect on the Corporation and no such litigation, legal or governmental proceedings or inquiries have been threatened against or, to the Corporation's knowledge, are contemplated with respect to the Corporation, the Material Subsidiaries or with respect to their business, assets and/or properties;

(n) neither the Corporation nor any of the Material Subsidiaries is in violation of its constating documents or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, mortgage, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it or its property is bound;

(o) any and all of the material agreements and other documents and instruments pursuant to which the Corporation or a Material Subsidiary holds the property and assets thereof (including any interest in, or right to earn an interest in, any property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, the Corporation or Material Subsidiary, as applicable, is not in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all material leases, licences and claims pursuant to which the Corporation or Material Subsidiary, as applicable, derive the interests thereof in such property and assets are in good standing and there has been no material default under any such lease, licence or claim. The properties (or any interest in, or right to earn an interest in, any property) of the Corporation and the Material Subsidiaries are not subject to any right of first refusal or purchase or acquisition right;

(p) each of the Transaction Documents has been or will be duly authorized and executed and delivered by the Corporation and constitutes or will constitute a valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principals when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;

(q) at the Closing Time, all necessary corporate action will have been taken by the Corporation to (i) validly issue the Unit Shares as fully paid and non-assessable Common Shares in the capital of the Corporation; (ii) validly create, authorize and issue the Warrants and (iii) allot, reserve and authorize the issuance of the Warrant Shares, which upon issuance in accordance with the terms of the

Warrants, shall be validly issued as fully paid and non-assessable Common Shares in the capital of the Corporation;

(r) the Corporation has no loans or other indebtedness outstanding which have been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's length with the Corporation;

(s) with respect to each premises of the Corporation which is material to the Corporation on a consolidated basis and which the Corporation occupies as tenant including but not limited to the Corporation's facility in Port Coquitlam, British Columbia (collectively, the "**Leased Premises**"), the Corporation occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Corporation occupies the Leased Premises is in good standing and in full force and effect;

(t) the Corporation and each of the Material Subsidiaries are in compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where non-compliance with such laws could not reasonably be expected to have a Material Adverse Effect on the Corporation or a Material Subsidiary, as applicable, and have not and are not engaged in any unfair labour practice;

(u) there has not been in the last two years and there is not currently any labour disruption or conflict which could reasonably be expected to have a Material Adverse Effect on the Corporation or the Material Subsidiaries;

(v) none of the directors, officers or employees of the Corporation or any associate or affiliate of any of the foregoing had or has any material interest, direct or indirect, in any transaction or any proposed transaction with the Corporation which, as the case may be, materially affects, is material to or will materially affect the Corporation;

(w) the assets of the Corporation and the Material Subsidiaries and their business and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and the Corporation and the Material Subsidiaries, as applicable, have not failed to promptly give any notice of any material claim thereunder;

(x) the minute books and records of the Corporation made available to counsel for the Agents in connection with its due diligence investigation of the Corporation for the periods from the date of incorporation to the date hereof are all of the minute books and records of the Corporation and contain copies of all material proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of the Corporation to the date of review of such corporate records and minute books and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of the Corporation to the date hereof not reflected in such minute books and other records, other than those which have been disclosed to the Agents or which are not material in the context of the Corporation, on a consolidated basis;

(y) to the Corporation's knowledge, no other party is in default in the observance or performance of any term or obligation to be performed by it under any contract to which the Corporation or a Material Subsidiary is a party or by which it is bound which is material to the business of the Corporation and no event has occurred which with notice or lapse of time or both would directly or indirectly constitute such a default, in any such case which default or event would reasonably be expected to have a Material Adverse Effect on the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Corporation and the Material Subsidiaries, taken as a whole;

(z) any and all operations of the Corporation and the Material Subsidiaries, and to the Corporation's knowledge, any and all operations by third parties on or in respect of the assets of the Corporation or the Material Subsidiaries, have been conducted in accordance with good industry practices and in material compliance with applicable laws, rules, regulations, orders and directions of government and other competent authorities;

(aa) each of the Corporation and the Material Subsidiaries has conducted and is conducting its business in compliance in all material respects with all applicable licensing and environmental protection legislation, by-laws, rules and regulations or other lawful requirements of each jurisdiction in which its business is carried on and holds all material licences, certificates, registrations, permits, consents or qualifications required in order to enable its business to be carried on as now conducted and as proposed to be conducted, except to the extent that such licenses, certificates, registrations, consents or qualifications are not at the date hereof required to conduct the business of the Corporation and the Subsidiaries as now conducted, and all such licences, certificates, registrations, permits, consents and qualifications the Corporation and the Material Subsidiaries required to conduct its business as now conducted are valid and subsisting and in good standing;

(bb) the Corporation is not aware of any licensing or environmental legislation, regulation, by-law or lawful requirement presently in force or proposed to be brought into force in any jurisdiction in which its business is carried on which the Corporation anticipates that it will be unable to comply without materially adversely affecting its financial condition, results of operations, business or prospects;

(cc) other than the Agents, there is no person acting or purporting to act at the request or on behalf of the Corporation that is entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement;

(dd) the Corporation owns or has the valid rights to use (in each case, free and clear of any encumbrances) all of the Intellectual Property that is material to the conduct of the business of the Corporation (as applicable) as currently conducted (and had all rights necessary to carry out its former activities at such time such activities were being conducted). The Corporation has a valid and enforceable right to use all third party Intellectual Property used or held for use in the business of the Corporation;

(ee) all of the licences and sublicenses and consent, royalty or other agreements concerning Intellectual Property that are material to the conduct of the business of the Corporation as currently conducted or as currently proposed to be conducted to which the Corporation or a Material Subsidiary is a party are valid and binding obligations of the Corporation or Material Subsidiary, as the case may be, enforceable in accordance with their terms and there exists no event or condition that will result in a material violation or breach of or constitute (with or without due notice or lapse of time or both) a default by the Corporation or any Material Subsidiary under any such licence agreement;

(ff) the conduct of the Corporation's business as currently conducted does not infringe or otherwise impair or conflict with (collectively, "**Infringe**") any Intellectual Property rights of any third party or any confidentiality obligation owed to a third party, and the Intellectual Property of the Corporation which is material to the conduct of the business of the Corporation as currently conducted or as currently proposed to be conducted is not, to the Corporation's knowledge, being Infringed by any third party. There is no litigation or order pending or outstanding or, to the Corporation's knowledge, threatened, that seeks to limit or challenge the ownership, use, validity or enforceability of any Intellectual Property of the Corporation or the Corporation's use of any Intellectual Property owned by a third party, and, to the Corporation's knowledge, there is no valid basis for the same. The Corporation and the Material Subsidiaries have not received any communications alleging that the Corporation or Material Subsidiary, as applicable, have violated or, by conducting its business as presently proposed, would violate any Intellectual Property or other proprietary rights of any other person, nor, without undertaking an investigation, is the Corporation aware of any basis therefore;

(gg) Schedule "B" herein contains a complete list of all Intellectual Property registered by the Corporation and Vendtek Industries Inc.; all of the registrations and applications arising from or relating to such Intellectual Property are and remain valid and subsisting, are in good standing and have not been assigned by the Corporation or Vendtek Industries Inc., as applicable, to any person; all fees, payments and filings due as of the date hereof have been duly made and none of the registrations and applications relating to the Intellectual Property listed in Schedule "B" are, to the knowledge of the Corporation, invalid or unenforceable; the Corporation and Vendtek Industries Inc. have made available to the Agents and the Agents' counsel for review true and complete copies of all other written documentation evidencing ownership and prosecution (if applicable) of each of the foregoing;

(hh) the Corporation has not declared or paid any dividends or declared or made any other payments or distributions on or in respect of any of its Common Shares and has not, directly or indirectly, redeemed, purchased or otherwise acquired any of its Common Shares or agreed to do so or otherwise effected any return of capital with respect to such shares;

(ii) from the effective date of the Corporation's engagement of the Agents and until the Closing Time, the Corporation has allowed, and shall continue to allow, the Agents the opportunity to conduct all required due diligence and to obtain, acting reasonably, satisfactory results therefrom and in particular, the Corporation shall allow the Agents and Agents' counsel to conduct all due diligence which the Agents may reasonably require and to fulfill the Agents' obligations as a registrant and, in this regard, the Corporation has made and shall continue to make available its senior management and a member of the Corporation's audit committee to answer any questions which the Agents may have and to participate in one or more due diligence sessions to be held prior to the Closing Date (all of such sessions being referred to as the "**Due Diligence Session**");

(jj) the Corporation has provided the Agents with all information reasonably requested by the Agents in connection with the Subscribers' decision to purchase Units. There is no material fact known to the Corporation that has not been disclosed herein, or to the Agents on behalf of the Subscribers in connection with the transactions contemplated hereby and which would result in a Material Adverse Effect on the Corporation. The Corporation has not withheld from the Agents any material fact relating to the Corporation or to the Offering;

(kk) the Corporation is not aware of any legislation, or proposed legislation (published by a legislative body), which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of the Corporation;

(ll) neither the Corporation nor, to the best of the Corporation's knowledge after due inquiry, any other person associated with or acting on behalf of the Corporation including, without limitation, any director, officer, agent or employee of the Corporation, has, directly or indirectly, while acting on behalf of the Corporation:

(i) used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity;

(ii) made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns from corporate funds;

(iii) violated any provision of the *Foreign Corrupt Practices Act of 1977*, as amended or similar legislation; or

(iv) made any other unlawful payment;

(mm) none of the Securities Commissions, the Exchange nor any other securities commission, stock exchange, or similar regulatory authority has issued any order that is still in effect preventing or suspending trading of any securities of the Corporation; and, assuming the truth of the representations and warranties of the Subscribers in the Subscription Agreements, to the knowledge of the Corporation, it is entitled to avail itself of the applicable prospectus exemptions available under the Applicable Securities Laws of the Selling Jurisdictions in respect of the trades in the Units, Unit Shares, Warrants and Warrant Shares to Subscribers as contemplated by this Agreement; and

(nn) to the knowledge of the Corporation, it will at the Closing Time be in compliance with the filing and certification requirements of each of National Instrument 51-102 - *Continuous Disclosure Obligations* and Multilateral Instrument 52-109 - *Certificate of Disclosure in Issuers' Annual and Interim Filings*.

6. Covenants of the Corporation

The Corporation covenants and agrees as follows:

(a) it will use its reasonable commercial efforts to obtain, prior to the Closing Time, all necessary approvals of the Exchange for the issuance of the Unit Shares, the Warrants and the Warrant Shares issuable on exercise of the Warrants and shall comply with all requirements of the Exchange including the filing of all necessary documentation in accordance with the requirements of the Exchange in connection with the listing of the Unit Shares and the Warrant Shares;

(b) from the effective date hereof to the Closing Time, the Corporation will promptly inform the Agents of the full particulars of any actual, anticipated or threatened material change, change in material fact or the occurrence of a material fact or event, which, in any such case, is, or may be, of such nature to:

(i) render any portion of the due diligence conducted by the Agents or the Agents' counsel, including the results of the Due Diligence Session, untrue, false or misleading in any material respect;

(ii) result in a misrepresentation in any of the due diligence documentation reviewed by the Agents or Agents' counsel or during the Due Diligence Session; or

(iii) result in the Corporation not complying with the Applicable Securities Laws;

(c) if the Corporation is uncertain as to whether a material change, change, occurrence or event of the nature referred to in this aforementioned subparagraph has occurred, the Corporation shall promptly inform the Agents of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agents as to whether the occurrence is of such a nature;

(d) from the effective date hereof to the Closing Time, the Corporation will promptly inform the Agents of the receipt by the Corporation of any communication from any Securities Commission or similar regulatory authority, or any other competent authority;

(e) as soon as reasonably possible, and in any event by the Closing Date, the Corporation shall take all such steps as may be reasonably required by the Agents and the Agents' counsel to enable the Units to be offered for sale and sold on a private placement basis to Subscribers in the Selling Jurisdictions that qualify as "accredited investors" under the Applicable Securities Laws through the Agents or any other investment dealers or brokers registered in any of the Selling Jurisdictions;

(f) the Corporation shall use its reasonable commercial efforts to maintain its status as a reporting issuer not in default of any Applicable Securities Laws in the provinces of Alberta and British Columbia until the second anniversary of the Closing Date provided that the foregoing shall not restrict the ability of the Corporation to complete a merger, sale, acquisition, business combination, change of control, take-over bid, corporate reorganization or other similar transaction, one of the results of which is that the Corporation ceases to be a reporting issuer in any or all of such provinces;

(g) the Corporation shall, subject to any corporate reorganization, merger, plan of arrangement or take-over bid, or delisting from the Exchange in order to list on another recognized stock exchange (as such term is defined under Applicable Securities Laws) in North America, use its reasonable commercial efforts to maintain the listing of its Common Shares on the Exchange until the second anniversary of the Closing Date; and

(h) the Corporation will duly, faithfully and punctually perform all the obligations to be performed by it and comply with its covenants and agreements hereunder and under the Transaction Documents.

7. Delivery of Purchase Price, Agents' Fee and Certificates

The purchase and sale of the Units shall be completed at the Closing Time at the offices of the Agents' counsel, Heenan Blaikie LLP at the Bay Adelaide Centre, 333 Bay Street, Suite 2900, Toronto, Ontario, or at such other place or places as the Agents and the Corporation may agree. At the Closing Time, the Corporation shall duly and validly deliver to the Agent the certificate representing the Unit Shares and the Warrant Certificates registered in such names as shall be designated by the Agent not less than two Business Days prior to the Closing Time, against payment by the Agent to the Corporation of the aggregate purchase price for the Units, by certified cheque or wire transfer, net, by way of set off in each of the following cases, of the Agency Fee and net of amounts payable to the Agents' legal counsel, Heenan Blaikie LLP, and out-of-pocket expenses of the Agents incurred in connection with the Offering (which expenses shall be borne by the Corporation), as more fully set out in Section 10.

8. Closing Conditions

The obligations of the Agents hereunder shall be conditional upon the Agents receiving, and the Agents shall have the right on the Closing Date on behalf of Subscribers for Units to withdraw all Subscription Agreements delivered and not previously withdrawn by Subscribers unless the Agents receive, on the Closing Date:

(a) a legal opinion dated the Closing Date, in form and substance satisfactory to counsel to the Agents, addressed to the Agents and counsel to the Agents from counsel to the Corporation, Borden Ladner Gervais LLP, based on the laws of Canada and British Columbia and, as to matters of fact, on certificates of the Corporation's Auditors, the Transfer Agent, public officials and officers of the Corporation with respect to the following matters:

(i) as to the incorporation and existence of the Corporation under the laws of its governing jurisdiction, the due qualification of the Corporation to carry on its business as it is currently carried on, and as to the corporate power and authority of the Corporation to own, lease and operate its properties and assets;

(ii) that the Corporation has full corporate power and authority to enter into the Transaction Documents and to perform its obligations set out herein and therein, and that the Transaction Documents have been duly authorized, executed and delivered by the Corporation and constitute legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms, subject to general qualifications relating to laws relating to creditors' rights generally and except that rights to indemnity may be limited by applicable law;

(iii) as to the authorized and issued capital of the Corporation;

(iv) the performance of and compliance with the terms hereof and thereof by the Corporation do not and will not result in a breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under;

(A) any term or provision of the Notice of Articles or Articles; or

(B) of which counsel is aware, resolutions of the directors or shareholders of the Corporation.

(v) that the form and terms of the certificates representing the Unit Shares and the Warrant Certificates have been duly approved and adopted by the board of directors of the Corporation;

(vi) that the Unit Shares have been authorized and allotted for issuance to the Subscribers in the Selling Jurisdictions and, will be validly issued, fully paid and non-assessable Common Shares of the Corporation;

(vii) that the Warrants have been duly and validly created and fully authorized for issue;

(viii) that the Warrant Shares have been authorized and allotted for issuance to the purchasers in the Selling Jurisdictions and, on the due exercise of the Warrants in accordance with the provisions thereof, will be validly issued, fully paid and non-assessable Common Shares of the Corporation;

(ix) that the offering, sale, issuance and delivery of the Unit Shares and Warrants comprising the Units are exempt from the prospectus requirements of Applicable Securities Laws in the Selling Jurisdictions and no prospectus or other documents must be filed, proceeding taken or approval, consent or authorization obtained by the Corporation under Applicable Securities Laws in the Selling Jurisdictions to permit the sale in accordance with this Agreement and the Applicable Securities Laws of the Selling Jurisdictions of the Units and the Securities comprising the Units to Subscribers in the Selling Jurisdictions provided that the Corporation files, within the time periods stipulated by the Applicable Securities Laws in the Selling Jurisdictions, the reports stipulated by the Applicable Securities Laws in the Selling Jurisdictions, in each case prepared and executed in accordance with Applicable Securities Laws in the Selling Jurisdictions, together with the requisite filing fees, assuming sales by the Agents and other registrants who comply with the relevant provisions of such Applicable Securities Laws;

(x) that the Exchange has conditionally accepted notice of the issuance of the Unit Shares, the Warrants and the Warrant Shares issuable on the exercise of the Warrants, subject to the customary filing of the required documentation; and

(xi) as to the first trade in the Unit Shares, the Warrants and the Warrant Shares issuable on the exercise of the Warrants.

It is understood that the Corporation’s counsel may rely on the opinions of local counsel acceptable to them and on certificates of officers of the corporation, the registrar and transfer agent and the auditors of the Corporation as to relevant matters of fact.

(b) a certificate of good standing (or equivalent) in respect of the Corporation and each of the Material Subsidiaries (or such other evidence of the good standing of the Material Subsidiaries as is acceptable to the Agents and their legal counsel, acting reasonably);

(c) a certificate of the Corporation dated the Closing Date, addressed to the Agents and counsel to the Agents and signed by appropriate officers of the Corporation, with respect to the Notice of Articles and Articles of the Corporation, all resolutions of the board of directors of the Corporation relating to the Offering and, the incumbency and specimen signatures of signing officers of the Corporation.

(d) a certificate or certificates of the Corporation dated the Closing Date, addressed to the Agents and counsel to the Agents and signed on behalf of the Corporation by the President and Chief Executive Officer and by the Chief Financial Officer of the Corporation or other officers of the Corporation acceptable to the Agents, certifying for and on behalf of the Corporation after having made due enquiry, that:

(i) the Corporation has complied with and satisfied in all material respects the covenants, terms and conditions of this Agreement on its part to be complied with and satisfied up to the Closing Time;

(ii) the representations and warranties of the Corporation contained in this Agreement are true and correct in all material respects as of the Closing Date, with the same force and effect as if made at and as of the Closing Time, after giving effect to the transactions contemplated by this Agreement;

(iii) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation, or prohibiting or restricting the distribution of the Unit Shares and Warrants comprising the Units and the Warrant Shares, on the due exercise of the Warrants, to the Subscribers in the Selling Jurisdictions has been made, or proceedings have been announced, commenced or, to the best of the knowledge of such officer, threatened for the making of any such order, ruling or determination by any securities commission or similar regulatory authority or by any other competent authority, and has not been rescinded, revoked or withdrawn, and, to the best of the knowledge of such officer, no proceedings for such purpose are pending, contemplated or threatened; and

(iv) the Corporation has made and/or obtained, at or prior to the Closing Time, all necessary filings, approvals, consents and acceptances of applicable regulatory authorities and under any applicable agreement or document to which the Corporation is a party or by which it is bound in respect of the execution and delivery of this Agreement, the Subscription Agreements, the certificates representing the Unit Shares and the Warrant Certificates, the offering and sale of the Unit Shares and Warrants comprising the Units and the consummation of the other transactions contemplated hereby (subject to completion of filings with certain regulatory authorities and the Exchange following the Closing Date).

(e) evidence satisfactory to the Agents that the Corporation has obtained all necessary approvals of the Exchange for: (i) the issuance of the Unit Shares, the Warrants and the Warrant Shares issuable on the exercise of the Warrants; and (ii) the listing of the Unit Shares and the Warrant Shares;

(f) certificates representing the Unit Shares and Warrants issued on the Closing Date registered in such name or names as the Agents shall have advised the Corporation in writing; and

(g) executed copies of the Subscription Agreements accepted by the Corporation, each in form and substance satisfactory to the Agents and the Agents' counsel.

9. Rights of Termination

This Agreement may be terminated in the sole discretion of the Lead Agent by written notice to the Corporation given prior to the Closing Time in the event that:

(a) the Corporation is in material breach of any term, condition, covenant or agreement contained in this Agreement or any representation or warranty given by the Corporation in this Agreement is determined to have been untrue, false or misleading in any material way as of the date upon which such was given; or

(b) at or prior to the Closing Time, as the case may be:

(i) there shall have occurred any adverse material change or there shall be discovered any previously undisclosed adverse material fact in relation to the Corporation; or

(ii) there shall have occurred any change in the Applicable Securities Laws or any inquiry, investigation or other proceeding is made or any order is issued under or pursuant to any statute of Canada or any province thereof or any regulatory authority, including a stock exchange, in relation to the Corporation or any of its securities (except for any inquiry, investigation or other proceeding based upon activities of the Agents and not upon activities of the Corporation);

which, in the opinion of the Lead Agent, prevents or restricts trading in or the distribution of the Units and the Securities comprising or underlying the Units; or

(iii) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence or catastrophe of national or international consequence or any law or regulation which, in the sole opinion of the Lead Agent, seriously adversely affects or involves, or will seriously adversely affect or involve, the financial markets or the business, operations, affairs or profitability of the Corporation, taken as a whole or the market price or value of the securities of the Corporation;

(iv) the state of the Canadian markets is such that, in the sole opinion of the Agents, the Units cannot be profitably marketed at the price or on the terms set forth in this Agreement; or

(v) the due diligence investigations of the Lead Agent identify a material adverse fact with respect to the Corporation or the Units which existed as of the date hereof but which had not been disclosed to the Lead Agent.

The rights of termination contained herein are in addition to any other rights or remedies the Agents may have in respect of any default, act or failure to act or non-compliance by the Corporation in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there shall be no further liability on the part of the Agents to the Corporation or on the part of the Corporation to the Agents except in respect of any liability which may have arisen prior to or arise after such termination under any of Sections 10 and 11.

10. Expenses

(a) The Corporation will pay all reasonable expenses and fees in connection with the Offering, including, without limitation: (a) all expenses of or incidental to the issue, sale or distribution of the Units; (ii) the reasonable fees, disbursements and applicable taxes of the Agents' legal counsel, which shall not exceed $10,000 before disbursements and taxes; and (ii) all costs incurred in connection with the preparation of documents relating to the Offering.

(b) The Corporation will reimburse the Agents for all reasonable out-of-pocket expenses incurred by the Agents in entering into and performing the services to be performed by it hereunder, including but not limited to travel and communication expenses, database service expenses, courier charges, the reasonable fees, disbursements and applicable taxes thereon of the Agents' counsel as noted above, and any other advisors retained by the Agents. Such reimbursable expenses (which specifically excludes any expenses of Agents' legal counsel) shall be approved by the Corporation in advance in writing and shall be payable by the Corporation on the Closing Date or on receipt by the Corporation of an invoice therefor from the Agents, and shall be payable whether or not the Offering or any part thereof is completed. For greater certainty, the Corporation shall also be required to pay all applicable taxes on the fees and expenses incurred hereunder or pursuant to the Offering.

11. Indemnity

(a) The Corporation (the "**Indemnifying Party**") shall indemnify and save harmless the Agents and their respective affiliates, directors, partners, officers, employees, advisors and agents (collectively the "**Indemnified Parties**") from and against all actual claims, actions, suits, investigations and proceedings (collectively "**Proceedings**") and all losses (other than loss of profits), expenses, fees, damages, obligations, payments and liabilities (collectively "**Liabilities**") (including without limitation all amounts paid to settle any action or to satisfy any judgment or award and all legal fees and disbursements actually incurred) which now or any time hereafter are suffered or incurred by reason of any event, act or omission in any way connected, directly or indirectly, with:

(i) any information or statement of or about the Corporation contained in the Subscription Agreements or any information or statement relating solely to the Corporation and furnished to the Agents by the Corporation expressly for inclusion in the Subscription Agreements, which is untrue or any omission to provide any information or state any fact the omission of which makes any such information or statement untrue or misleading in light of the circumstances in which it was made;

(ii) any misrepresentation or alleged misrepresentation (except any made by the Agents and for which the Agents did not rely on any information provided by the Corporation or anyone acting on its behalf) relating to the Offering or the Units, whether oral or written and whether made during or in connection with the Offering, where such misrepresentation or alleged misrepresentation may give or gives rise to any other liability under any statute in any jurisdiction which is in force on the date of this Agreement or which comes into force after that date;

(iii) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities (not based upon the activities or the alleged activities of the Agents or their banking or selling group members, if any) relating to or materially affecting the sale of the Units in the Selling Jurisdictions; or

(iv) any breach of, default under or non-compliance by the Corporation with any material representation, warranty, term or condition of this Agreement, the Subscription Agreements or any requirement of Applicable Securities Laws;

provided that: (A) in the event and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made or a regulatory authority in a final ruling from which no appeal can be made shall determine that such Proceedings or Liabilities resulted solely from the negligence, fraud or misconduct (including breach of this Agreement) of the Indemnified Party claiming indemnity; or (B) in the event the giving or implementation of an indemnity is prohibited by applicable law, this indemnity shall not apply.

(b) The Corporation hereby waives its right to recover contribution from the Agents with respect to any liability of the Corporation by reason of or arising out of any misrepresentation provided by the Corporation to the Agents during the course of the Agents’ due diligence or otherwise provided, however, such waiver shall not apply in respect of liability caused or incurred by reason of or arising out of (i) any misrepresentation which is based upon information relating solely to the

Agents furnished to the Corporation by the Agents for inclusion in any Transaction Document or other use in connection with the transactions contemplated by this Agreement; or (ii) any failure by the Agents to provide to prospective purchasers of Units and the Securities underlying the Units any document which the Corporation is required to provide to such prospective purchasers and which the Corporation has provided to the Agents to forward to such prospective purchasers, or (iii) any misrepresentation made by the Agents or a member of the selling group or by an affiliate or associate of either of them unless the misrepresentation resulted from a misrepresentation made to the Agents by the Corporation.

(c) If any Proceeding is brought or instituted in respect of any Indemnified Party which may result in a claim for indemnification under this Agreement, such Indemnified Party shall promptly after receiving notice thereof notify the Corporation of the notice of claim, in writing, and the Corporation shall be entitled (but not required) to assume conduct of the defence thereof and retain counsel on behalf of the Indemnified Party who is reasonably satisfactory to the Indemnified Party, to represent the Indemnified Party in such Proceeding and the Corporation shall pay the reasonable fees and disbursements of such counsel and all other expenses of the Indemnified Party relating to such Proceeding as incurred. Failure to so notify the Corporation shall not relieve the Corporation from liability except and only to the extent that the failure materially prejudices the Corporation. If the Corporation assumes conduct of the defence for an Indemnified Party, the Indemnified Party shall, except when a conflict of interest as described in paragraph 11(d)(i) exists and counsel to the Indemnified Party advises the Indemnified Party that such action would be prejudicial to the interests of the Indemnified Party, fully cooperate in the defence including without limitation the provision of documents, appropriate officers and employees to give witness statements, attend examinations for discovery, make affidavits, meet with counsel, testify and divulge all information reasonably required to defend or prosecute the Proceedings.

(d) In any such Proceeding, the Indemnified Party shall have the right to employ separate counsel and to participate in the defence thereof if:

(i) the Indemnified Party has been advised in writing by counsel that there may be a reasonable legal defence available to the Indemnified Party that is different from or in addition to those available to the Corporation or that a conflict of interest exists which makes representation by counsel chosen by the Corporation not advisable;

(ii) the Indemnifying Party has not assumed the defence of the Proceeding and employed counsel therefor reasonably satisfactory to the Indemnified Party within ten (10) Business Days after receiving notice thereof; or

(iii) employment of such other counsel has been authorized by the Corporation;

in which event the reasonable fees and disbursements of such counsel shall be paid by the Corporation; it being understood, however, that the Corporation shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate counsel (in addition to any local counsel) for all such Indemnified Parties.

(e) No admission of liability and no settlement of any Proceeding shall be made without the consent of the Indemnified Parties affected, such consent not to be unreasonably withheld. No admission of liability shall be made by an Indemnified Party without the consent of the Indemnifying Party, such consent not to be unreasonably withheld, and the Indemnifying Party shall not be liable for any settlement of any Proceeding made without their consent, such consent not to be unreasonably withheld.

(f) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is (in whole or in part), for any reason, held by a court to be unavailable from the Corporation on ground of policy or otherwise, each of the Corporation and the party or parties seeking indemnification shall contribute to the aggregate Liabilities (or Proceedings in respect thereof) to which they may be subject or which they may suffer or incur:

(i) in such proportion as is appropriate to reflect the relative benefit received by the Corporation on the one hand and by the Agents on the other hand from the offering of the Units; or

(ii) if the allocation provided by subparagraph (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in subparagraph (i) above but also to reflect the relative fault of the party or parties seeking indemnity, on the one hand, and the parties from whom indemnity is sought, on the other hand, in connection with the statement, omission, misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing which resulted in such liabilities, claims, demands, losses, costs, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Corporation, on the one hand, and the Agents, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the Offering received by the Corporation (net of fees but before deducting expenses) bear to the fees received by the Agents. The relative fault of the Corporation, on the one hand, and of the Agents, on the other hand, shall be determined by reference, among other things, to whether the misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter giving rise to liability relates to information supplied or which ought to have been supplied by, or steps or actions taken or done on behalf of or which ought to have been taken or done on behalf of the Corporation or the Agents and the parties' relevant intent, knowledge, access to information and opportunity to correct or prevent such misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter giving rise to liability.

The amount paid or payable by the Indemnifying Party as a result of any Proceedings or Liabilities shall, without limitation, include any legal or other expenses reasonably incurred by the Indemnified Person in connection with investigating or defending such liabilities, claims, demands, losses, costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof), whether or not resulting in any action, suit, proceeding or claim.

The Corporation agrees that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding paragraphs.

(g) The rights to indemnity and right of contribution provided in the foregoing sections shall be in addition to and not in derogation of any other right to contribution which the Indemnified Parties may have by statute or otherwise at law or in equity.

(h) It is the intention of the Corporation to constitute the Agents as trustees for the Indemnified Parties for the purposes of Sections 11(a) to 11(g) inclusive and the Agents shall be entitled, as trustees, to enforce such covenants on behalf of any other Indemnified Parties.

(i) If any Proceeding is brought in connection with the transactions contemplated by this Agreement and an Indemnified Party is required to testify in connection therewith or is required to respond to procedures designed to discover information relating thereto, the Corporation shall pay to the relevant Agents reasonable fees at the normal per diem rate for its directors, officers, partners, employees, agents and advisors involved in preparation for and attendance at such Proceeding or in so responding and any other reasonable costs and out-of-pocket expenses incurred by such Agents in connection therewith will be paid by the Corporation as they are incurred; provided that such Proceeding is not caused solely by or the result of the negligence, fraud or misconduct of an Indemnified Party.

(j) The obligations under the indemnity and right of contribution provided herein shall apply whether or not the transactions contemplated by this Agreement are completed and shall survive the completion of the transactions contemplated under this Agreement and the termination of this Agreement.

12. Severability

If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severable from this Agreement.

13. Standstill

For a period of 120 days from February 22, 2011, the Corporation shall not, and it shall ensure by way of lock-up agreement or otherwise, that its directors and senior management do not, without the prior written consent of the Lead Agent, such consent not to be unreasonably withheld, authorize, sell or issue or announce its intention to authorize, sell or issue, or negotiate or enter into an agreement to sell or issue, any securities of the Corporation other than (i) pursuant to the Offering; (ii) the issue of non-convertible debt securities; (iii) upon the exercise of convertible securities, options or warrants of the Corporation outstanding at the date hereof; (iv) pursuant to the Corporation's stock option plan; or (v) pursuant to the acquisition of shares or assets of arm's length persons which does not result in a change of control of the Corporation.

14. Survival of Representations and Warranties

The representations, warranties, covenants, obligations and agreements of the Corporation contained in this Agreement and in any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Units shall survive the purchase of the Units and shall continue in full force and effect for a period of three years following the Closing Date regardless of any subsequent disposition of the Units by the Subscribers or the termination of the Agents' obligations and shall not be limited or prejudiced by any investigation made by or on behalf of the Agents in connection with the sale of the Units.

15. Time of the Essence

Time shall be of the essence of this Agreement.

16. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of British Columbia and the laws of Canada applicable in British Columbia and the parties hereto irrevocably attorn to the jurisdiction of the courts of such province.

17. Funds

Unless otherwise specified, all funds referred to in this Agreement shall be in Canadian dollars.

18. Notice

Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**Notice**") shall be in writing addressed as follows:

(a) If to the Corporation, to:

VendTek Systems Inc.
507 – 1952 Kingsway Avenue
Port Coquitlam, BC V3C 1S5

Attention: Douglas Buchanan, President and Chief Executive Officer
Fax: 604.944.0812
Email: dbuchanan@vendteksystems.com

with a copy (which shall not constitute notice) to:

Borden Ladner Gervais LLP
1200 Waterfront Centre
200 Burrard Street, P.O. Box 48600
Vancouver, BC V7X 1T2

Attention: Nigel Cave
Fax: 604.622.5861
Email: ncave@blg.com

(b) If to the Agents, to:

Versant Partners Inc.
20 Queen Street West, Suite 3110
Toronto, ON M5H 3R3

Attention: Paul Rajchgod
Fax: 416.849.5010
Email: prajchgod@versantpartners.com

with a copy (which shall not constitute notice) to:

Heenan Blaikie LLP
Bay Adelaide Centre
333 Bay Street, Suite 2900
Toronto, ON M5H 2T4

Attention: Charlie MacCready
Fax: 866.556.9541
Email: cmaccready@heenan.ca

or to such other address as any of the persons may designate by Notice given to the others.

Each Notice shall be personally delivered to the addressee or sent by fax or electronic mail to the addressee and (i) a Notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a Notice which is sent by fax or electronic mail shall be deemed to be given and received on the first Business Day following the day on which it is sent.

19. Entire Agreement

The provisions herein contained constitute the entire agreement between the parties relating to the Offering and supersede all previous communications, representations, understandings and agreements between the parties including, but not limited to, the Engagement Letter, with respect to the subject matter hereof whether verbal or written.

20. Press Releases

Any press release connected with the Offering issued by the Corporation shall be issued only after consultation with the Agents and in compliance with Applicable Securities Laws. If the offering is successfully completed, the Agents shall be permitted to publish, at the Agents' expense, and in compliance with Applicable Securities Laws, such advertisements or announcements relating to the services provided hereunder in such newspaper or other publications as they may consider appropriate.

21. 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 shall together constitute one and the same instrument.

22. Language

The parties hereto confirm their express wish that this Agreement and all documents and agreements directly or indirectly relating thereto be drawn up in the English language. *Les parties reconnaissent leur volonté express que la présente convention ainsi que tous les documents et contrats s'y rattachant directement ou indirectement soient rédigés en anglais.*

23. Facsimile

The Corporation and the Agents shall be entitled to rely on delivery by facsimile or electronic mail of an executed copy of this Agreement and acceptance by the Corporation and the Agents of that delivery shall be legally effective to create a valid and binding agreement between the Corporation and the Agents in accordance with the terms of this Agreement.

If the foregoing is in accordance with your understanding and is agreed to by you, please signify your acceptance by executing this letter where indicated below and returning the same to the Agents upon which this letter as so accepted shall constitute an agreement among us.

Yours very truly,

VERSANT PARTNERS INC.

Per: *"Paul Rajchgod" (signed)*
Authorized Signing Officer

MGI SECURITIES INC.

Per: *"Mark Arthur" (signed)*
Authorized Signing Officer

The foregoing offer is accepted and agreed to as of the date first above written.

VENDTEK SYSTEMS INC.

By: *"Douglas Buchanan" (signed)*
Douglas Buchanan
President and Chief Executive Officer

SCHEDULE “A”

TERM SHEET

Issuer	Vendtek Systems Inc. (the “Issuer”).
Amount	Up to CDN $1,020,000.
Offering	The offering consists of an aggregate of up to 1,700,000 units of the Issuer (the “Units”).
Purchased Securities	Each Unit consists of one (1) common share (the “Common Share”) of the Issuer and one-half (1/2) Common Share purchase warrant (each whole Common Share purchase warrant, a “Warrant”). Each Warrant will entitle the holder, on exercise, to purchase one additional Common Share of the Issuer (a “Warrant Share”) at a price of $0.75 per Warrant Share at any time until the close of business on the 3rd anniversary of the Closing Date.
Issue Price	Cdn.$0.60 per Unit.
Form of Offering	Private placement to "accredited investors" in the Provinces of Canada and in jurisdictions outside of Canada (other than the US), where the Units can be issued on a private placement basis, exempt from any prospectus, registration or other similar requirements.
Use of Proceeds	The net proceeds from the sale of the Units will be used for general working capital purposes and to continue the Company’s expansion plans.
Hold Period	Pursuant to National Instrument 45-102 – *Resale of Securities*, securities issued pursuant to the offering shall be subject to a hold period of four months and one day commencing on the Closing Date.
Common Share Listing	VSI on the TSX Venture Exchange.
Eligibility	It is anticipated that the Units will be eligible under the usual Canadian statutes as well as for RRSPs, RRIFs, RESPs, DPSPs and TFSAs.
Syndicate	Versant Partners Inc. 75% MGI Securities Inc. 25%
Closing Date	On or about February 28, 2011

SCHEDULE "B"

REGISTERED INTELLECTUAL PROPERTY

Trade-marks

<u>Vendtek Systems Inc.</u>

Trade-mark	Registration No.	Registration Date
Canada		
E-FRESH	TMA626,478	24 November 2004
NOW PREPAY	TMA768,856	04 June 2010

<u>Vendtek Industries Inc.</u>

Trade-mark	Registration No.	Registration Date
Canada		
VENDTEK	TMA400,881	31 July 1992
United States		
VENDTEK	3,543,016	09 December 2008

Copyrights

Canada – Nil
United States – Nil

Patents

Canada – Nil
United States – Nil