UNDERWRITING AGREEMENT

April 1, 2002

Belzberg Technologies Inc.
40 King Street West
Suite 3400
Toronto, Ontario
M5H 3Y2

Attention: Sidney H. Belzberg, Chairman and Chief Executive Officer

Dear Sirs:

Haywood Securities Inc. and Sprott Securities Inc. (collectively, the "**Underwriters**") understand that Belzberg Technologies Inc. (the "**Company**") desires to issue and sell 2,730,000 special warrants of the Company having the terms described in Schedule "A" hereto (the "**Special Warrants**") and the Underwriters hereby agree to purchase the Special Warrants on the terms and conditions herein set forth. The offering of the Special Warrants by the Company is hereinafter referred to as the "**Offering**".

In consideration of the services to be rendered by the Underwriters in connection with the Offering, including (i) assisting in preparing documentation relating to the sale of the Special Warrants, (ii) distributing the Special Warrants both directly and indirectly, (iii) assisting in preparing and finalizing the Preliminary Prospectus (as hereinafter defined) and the Final Prospectus (as hereinafter defined), (iv) performing administrative work in connection with the Offering, and (v) all other services arising out of this agreement, the Company agrees to pay the Underwriting Fee (as hereinafter defined) and to issue the Compensation Options (as hereinafter defined) to the Underwriters at the Time of Closing (as hereinafter defined).

The Company and the Underwriters acknowledge and agree that if a separate fee were to have been charged to the Company for the services described in item (ii) of the preceding paragraph, such separate fee would represent more than fifty percent (50%) of the Underwriting Fee, and the Company further acknowledges and agrees that the Underwriters, in connection with the Underwriting Fee (as hereinafter defined), will rely on the foregoing in not charging Canadian Federal Goods and Services Tax on the Underwriting Fee. The Company agrees that should the Canada Customs and Revenue Agency determine that Goods and Services Tax should have been charged on all or any part of the Underwriting Fee, the Company will forthwith pay to the Underwriters any such tax to the extent determined to be exigible.

The Company agrees that the Underwriters will be permitted to appoint other registered dealers (or other dealers duly qualified in their respective jurisdictions) as their agents to assist in the Offering and that the Underwriters may determine the remuneration payable to such other dealers appointed by them (provided that any such remuneration shall be for the account of the Underwriters).

The Company understands that, although this offer is presented on behalf of the Underwriters as purchasers (on a several basis, as contemplated in this agreement), the Underwriters will endeavour to arrange for substituted purchasers for the Special Warrants. It is further understood that, subject to the satisfaction of those conditions stated as being conditions to be satisfied on or before the Time of Closing, the Underwriters hereby agree to purchase or cause to be purchased all of the Special Warrants and that this agreement is not subject to the Underwriters being able to arrange substituted purchasers.

This offer is conditional upon and subject to the additional terms and conditions set forth below.

1. <u>Interpretation</u>

1.1 Unless expressly provided otherwise, where used in this agreement or any schedule hereto, the following terms shall have the following meanings, respectively:

"**Applicable Securities Laws**" means, the applicable securities laws of the Qualifying Province, the regulations, rulings, orders and forms prescribed or made thereunder and the applicable policy statements issued by the Securities Commission thereunder;

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the City of Toronto, Ontario;

"**Closing Date**" means the date on which the Offering is to be completed, as specified in Schedule "A" hereto;

"**Company**" shall have the meaning ascribed thereto in the first paragraph of this agreement;

"**Company's Information Record**" means any statement contained in any press release, material change report, financial statements, annual information form (or its equivalent), annual report, information circular or other document of the Company which has been or is publicly disseminated by or on behalf of the Company, whether pursuant to any Applicable Securities Laws or otherwise;

"**Compensation Options**" means the compensation options of the Company to be issued to the Underwriters as described in Schedule "A" to this agreement;

"**Compensation Option Agreement**" means the agreement to be executed by the Company evidencing the Compensation Options in form and substance satisfactory to the Company and the Underwriters;

"**due inquiry**" when used in relation to the Company means after inquiries have been made of the appropriate officers, employees and directors of the Company and/or any subsidiaries thereof who may have some knowledge with respect to the fact in question;

"**Encumbrance**" means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement or other security;

"**Exchange**" means The Toronto Stock Exchange;

"**Final Prospectus**" means the (final) prospectus of the Company relating to the distribution of the Underlying Securities;

"**including**" means including without limitation;

"**Indemnified Party**" shall have the meaning ascribed thereto in Section 10.1.

"**material change**" means a material change for the purposes of the Applicable Securities Laws;

"**material fact**" means a material fact for the purposes of the Applicable Securities Laws;

"**Material Subsidiaries"** means the subsidiaries of the Company, the particulars of which are set out in Schedule "B" hereto;

"**misrepresentation**" means a misrepresentation for the purposes of the Applicable Securities Laws;

"**Offering**" shall have the meaning ascribed thereto in the first paragraph of this agreement;

"**Offering Documents**" means, collectively, the Preliminary Prospectus, the Final Prospectus and any Supplementary Material;

"**Outstanding Convertible Securities**" means all options (whether "put" or "call"), including options granted or proposed to be granted to officers, directors or employees, share purchase or acquisition rights or warrants and other convertible securities outstanding as at the date of this agreement, whether issued pursuant to an established plan or otherwise;

"**person**" includes any individual, corporation, limited partnership, general partnership, joint stock company or association, joint venture association, company, trust, bank, trust company, land trust, investment trust, society or other entity, organization, syndicate, whether incorporated or not, trustee, executor or other legal personal representative, and governments and agencies and political subdivisions thereof;

"**Preliminary Prospectus**" means the preliminary prospectus of the Company relating to the distribution of the Underlying Securities;

"**Private Placement Exemptions**" means the various prospectus exemptions pursuant to which the Special Warrants are to be issued in the Qualifying Province, as more specifically set out in the Subscription Agreements;

"**Prospectus Receipt**" means the receipt issued by the Securities Commission for the Final Prospectus which definitively evidences that the Underlying Securities have been "prospectus qualified" for the purposes of a distribution to residents of the Qualifying Province;

"**Purchasers**" means, collectively, each of the purchasers of Special Warrants pursuant to the Offering;

"**Qualification Deadline**" means the 90^{th} day following the Closing Date;

"**Qualifying Province**" means the Province of Ontario;

"**Securities Commission**" means the Ontario Securities Commission;

"**Selling Group**" means, collectively, those registered dealers appointed by the Underwriters to assist in the Offering as contemplated in the fourth paragraph of this agreement;

"**Share Purchase Warrants**" means the Share purchase warrants to be issued by the Company on the exercise or deemed exercise of Special Warrants, having substantially the terms described in Schedule "A" hereto;

"**Share Purchase Warrant Certificate**" shall have the meaning ascribed thereto in section 2.3 of this agreement;

"**Shares**" means common shares in the capital of the Company;

"**Special Warrants**" shall have the meaning ascribed thereto in the first paragraph of this agreement;

"**Special Warrant Certificate**" shall have the meaning ascribed thereto in section 2.2 of this Agreement;

"**Subscription Agreements**" means, collectively, the subscription agreements entered into between, *inter alia*, the Purchasers and the Company in respect of the Offering;

"**subsidiary**" shall have the meaning ascribed thereto in the *Business Corporations Act* (Ontario);

"**Supplementary Material**" means, collectively, any amendment to the Final Prospectus, any amended or supplemental prospectus or ancillary material required to be filed with the Securities Commission in connection with the distribution of the Underlying Securities;

"**Survival Limitation Date**" means the latest date under the Applicable Securities Laws that a Purchaser may be entitled to commence an action or exercise a right of rescission with respect to a misrepresentation contained in the Final Prospectus or, if applicable, any Supplementary Material;

"**Time of Closing**" means the time on the Closing Date at which the Offering is to be completed, as specified in Schedule "A" hereto;

"**Underlying Compensation Securities**" means the securities issuable upon exercise of the Compensation Options, as described in Schedule "A" to this agreement;

"**Underlying Securities**" means the securities issuable on exercise of the Special Warrants as described in Schedule "A" of this agreement;

"**Underwriters**" shall have the meaning ascribed thereto in the first paragraph of this agreement;

"**Underwriting Fee**" means the fee payable to the Underwriters as specified in Schedule "A" hereto; and

"**Warrant Shares**" means the Shares issuable on exercise of the Share Purchase Warrants.

1.2 The division of this agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this agreement.

1.3 This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and time shall be of the essence thereof.

1.4 All amounts expressed herein in terms of money refer to lawful currency of Canada and all payments to be made hereunder shall be made in such currency.

1.5 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	-	Details of the Offering
Schedule B	-	Details as to Material Subsidiaries
Schedule C	-	Details as to Outstanding Convertible Securities
Schedule D	-	Opinion of the Company's Counsel

2. Nature of Transaction

2.1 Each Purchaser shall purchase under one or more Private Placement Exemptions so that the purchases will be exempt from the prospectus requirements of the Applicable Securities Laws. The Company hereby agrees to secure compliance with all securities regulatory requirements on a timely basis in connection with the distribution of the Special Warrants to the Purchasers, including by filing within the periods stipulated under Applicable Securities Laws and at the Company's expense all private placement forms required to be filed by the Company and the Purchasers, respectively, in connection with the Offering and paying all filing fees required to be paid in connection therewith so that the distribution of the Special Warrants may lawfully occur without the necessity of filing a prospectus or any similar document under the Applicable Securities Laws. The Underwriters agree to assist the Company in all reasonable respects to secure compliance with all regulatory requirements in connection with the Offering. The Underwriters will notify the Company with respect to the identity of each Purchaser as soon as practicable and with a view to leaving sufficient time to allow the Company to secure compliance with all relevant regulatory requirements under Applicable Securities Laws relating to the sale of Special Warrants.

2.2 The Special Warrants shall be issued pursuant to Special Warrant certificates (the "**Special Warrant Certificates**"), such Special Warrant Certificates to be in a form satisfactory to the Company and the Underwriters, acting reasonably. The terms and conditions of the Special Warrant Certificates shall be consistent herewith and satisfactory to the Underwriters and their legal counsel acting reasonably.

2.3 The Share Purchase Warrants shall be issued pursuant to Share Purchase Warrant certificates (the "**Share Purchase Warrant Certificates**"), such Share Purchase Warrant Certificates to be in a form satisfactory to the Company and the Underwriters, acting reasonably. The terms and conditions of the Share Purchase Warrant Certificates shall be consistent herewith and satisfactory to the Underwriters and their legal counsel acting reasonably.

3. Covenants of the Underwriters

3.1 The Underwriters covenant with the Company that they will (and will use their reasonable best efforts to cause the members of the Selling Group to ensure that they will): (i) conduct activities in connection with arranging for the sale of the Special Warrants and in distributing the Underlying Securities in compliance with the Applicable Securities Laws and will indemnify the Company from all losses incurred by it as a result of a violation by such Underwriters or members of the Selling Group of such Applicable Securities Laws; (ii) not deliver to any prospective Purchaser any document or material which constitutes an offering memorandum under Applicable Securities Laws; (iii) not solicit offers to purchase or sell the Special Warrants so as to require registration thereof or filing of a prospectus with respect thereto under the laws of any jurisdiction including the United States of America or any state thereof, or the United Kingdom, and not, without the consent of the Company or as otherwise contemplated in this agreement, solicit offers to purchase or sell the Special Warrants in any jurisdiction outside of the Qualifying Province where the solicitation or sale of the Special Warrants would result in any ongoing disclosure requirements in such jurisdiction and any registration requirements in such jurisdiction; (iv) obtain from each Purchaser an executed Subscription Agreement in a form reasonably acceptable to the Company and to the Underwriters relating to the transactions herein contemplated, together with all documentation (including questionnaires and undertakings required by the Exchange) as may be necessary in connection with subscriptions for Special Warrants; (v) refrain from advertising the Offering in (A) printed media of general and regular paid circulation, (B) radio, or (C) television and not make use of any green sheet or other internal marketing document without the consent of the Company, such consent to be promptly considered and not to be unreasonably withheld; (vi) comply with, and ensure that their directors, officers, employees and affiliates comply with, all applicable market stabilization rules and requirements of the Securities Commission and the Exchange; (vii) use commercially reasonable best efforts to assist the Company in obtaining any requisite regulatory approvals in connection with the preparation and filing of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material; (ix) subject to the provisions of subsection 6.1(h) hereof, the Underwriters will execute and deliver any certificate required under Applicable Securities Laws to be executed by them in connection with the Preliminary Prospectus, the Final Prospectus and any Supplementary Material; and (x) the Underwriters will cause one copy of the Final Prospectus and any Supplementary Material to be delivered to each holder of Special Warrants without charge, such delivery to be effected as soon as possible but, in any event, on or before the date that is the second Business Day after the date the Prospectus Receipt is issued.

4. <u>Representations, Warranties and Covenants of the Company</u>

4.1 The Company hereby represents, warrants and covenants to and with the Underwriters and the Purchasers that:

4.1.1 *General Matters*

(a) As at the date hereof, the authorized capital of the Company consists of an unlimited number of Shares and the outstanding capital of the Company consists solely of 11,060,924 Shares;

(b) the Company (i) has been duly incorporated and organized and is validly existing and in good standing under the laws of the Province of Ontario; (ii) has all requisite corporate power, authority and capacity to carry on its business as now conducted and to own, lease and operate its properties and assets; and (iii) will have all required corporate power and authority to create, issue, allot and sell, as the case may be, the Special Warrants, Compensation Options, Underlying Securities, Underlying Compensation Securities and Warrant Shares at the time of their issuance, to enter into this agreement, the Subscription Agreements and to execute the Special Warrant Certificates, Share Purchase Warrant Certificates and the Compensation Option Agreements and to carry out the provisions of such agreements;

(c) attached as Schedule "B" hereto is a list of each of the subsidiaries of the Company, whether through direct or indirect holdings of securities which is material to the Company, and the particulars of the types and percentages of securities in such subsidiaries held by the Company and hereby represents and warrants that the Company holds all of such securities free and clear of all Encumbrances except as otherwise disclosed in such schedule;

(d) each of the Material Subsidiaries (i) has been duly incorporated and organized and is validly existing and in good standing under the laws of its jurisdiction of incorporation and (ii) has all requisite corporate power and authority to carry on its business as now conducted and to own, lease and operate its properties and assets;

(e) except as disclosed in the Company's Information Record, the Company does not own and does not have any agreements of any nature to acquire, directly or indirectly, any securities, or other equity or proprietary interest in, any person (other than the Material Subsidiaries) and the Company does not have any agreements to acquire or lease any other business operations;

(f) the Company and each of the Material Subsidiaries is conducting its business in material compliance with all applicable laws, rules and regulations of each jurisdiction in which its business is carried on and is duly licensed, registered or qualified in all jurisdictions in which it owns, leases or operates its property or carries on business to enable its business to be carried on as now conducted and its property and assets to be owned, leased and operated and all such licences, registrations and qualifications are and will at the Time of Closing be valid, subsisting and in good standing, except in respect of matters which do not and will not result in any material adverse change to the business, business prospects or condition (financial or otherwise) of the Company and the Material Subsidiaries, on a consolidated basis, and except for the failure to be so qualified or the absence of any such license, registration or qualification which does not and will not have a material adverse effect on the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company and the Material Subsidiaries, on a consolidated basis;

(g) without limiting the generality of subsection (f) above, except for the registration of (i) Electronic Brokerage Systems LLC (**"EBS"**) with the US Securities and Exchange Commission, National Association of Security Dealers, Inc., and membership of EBS with the Chicago Board of Options Exchange, the Cincinnati Stock Exchange and the International Stock Exchange and (ii) membership of Electronic Brokerage Systems LLC and Robert C. Sheehan & Associates LLC with the Chicago Board of Options Exchange, the current and currently proposed businesses of the Company and its subsidiaries do not require any registration (or its equivalent) as a dealer, exchange or market under any securities legislation (or any rules, policies or regulatory pronouncements promulgated or issued thereunder), stock, options and/or future exchange or market rules or policies or the rules or policies of any securities and/or any self regulatory organization;

(h) attached as Schedule "C" is a complete list of all Outstanding Convertible Securities of the Company and the Material Subsidiaries and, except under this agreement or as disclosed in Schedule "C", no person now has any agreement or option or right or privilege capable of becoming an agreement for the (i) purchase, subscription or issuance of any unissued shares, securities or warrants of the Company or any of the Material Subsidiaries or (ii) repurchase by or on behalf of the Company or any of the Material Subsidiaries of any issued and outstanding securities of the Company or any of the Material Subsidiaries;

(i) to the best of the Company's knowledge, information and belief, after due inquiry, other than the constating documents of the Company (to the extent that they would constitute an agreement), and, except as disclosed in the Company's Information Record, no agreement exists among the shareholders of the Company in respect of the Company and no agreement will exist at the Time of Closing;

(j) neither the Company nor any of the Material Subsidiaries has committed an act of bankruptcy or sought protection from its creditors from any court or pursuant to any legislation, proposed a compromise or arrangement to its creditors generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound up, as the case may be, taken any proceeding to have a receiver appointed of any part of its assets, had any encumbrancer or receiver take possession of any of its property, had an execution or distress become enforceable or levied upon any portion of its property or had any petition for a receiving order in bankruptcy filed against it and, at the Time of Closing, neither the Company nor any of the Material Subsidiaries will be insolvent persons (as that term is defined in the *Bankruptcy and Insolvency Act* (Canada));

(k) the Company, together with the Material Subsidiaries, is the owner of all of its property and assets used by it in connection with its businesses, unless leased or licensed, with good and marketable title thereto, free and clear of any Encumbrances and of any rights or privileges capable of becoming Encumbrances other than security interests granted to HSBC Bank Canada pursuant to a facility letter between HSBC and the Company dated August 2000;

(l) except as otherwise disclosed in the Company's Information Record, neither the Company nor any of the Material Subsidiaries is subject to any materially adverse liabilities or obligations, direct or indirect, accrued, absolute, contingent or otherwise and, to the best of the Company's knowledge, information and belief, after due inquiry, without limiting the generality of any representation or warranty given in this agreement, there are no facts or circumstances which might reasonably serve as the basis for, or give rise to, any material adverse liabilities or obligations on the part of the Company or any of the Material Subsidiaries;

(m) neither the Company nor any of the Material Subsidiaries has guaranteed or otherwise given security for or agreed to guarantee or give security for any liability, debt or obligation of any person other than guarantees given in the ordinary course of business;

(n) since December 31, 2001, other than in respect of material change reports filed on a confidential basis and in respect of which the material changes so reported did not come to fruition and except as publicly disclosed:

(i) there has not been any material adverse change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise), business, prospects, condition (financial or otherwise) or results of operations of the Company and its subsidiaries, on a consolidated basis;

(ii) except as contemplated in this agreement, there has not been any material change in the capital stock or long-term debt of the Company and its subsidiaries, on a consolidated basis;

(iii) the Company and its subsidiaries, on a consolidated basis, have carried on business in the ordinary course;

(iv) there has not been any declaration, setting aside or payment of any dividend or other distribution with respect to any shares in the capital of the Company or any direct or indirect redemption, purchase or other acquisition of any shares; or

(v) any change in accounting or tax practices followed by the Company.

(o) the audited consolidated financial statements of the Company for the last fiscal year end present or will present, as the case may be, fairly in all material respects the financial condition of the Company and its subsidiaries, on a consolidated basis, for the periods then ended;

(p) there is no action, proceeding or investigation (whether or not purportedly by or on behalf of the Company or any of its subsidiaries) pending or, to the knowledge of the Company and its respective directors and officers, threatened against or affecting the Company or any of the Material Subsidiaries at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any federal, provincial, state, municipal or other governmental department, commission, board or agency, domestic or foreign (including any securities regulatory authority, stock, options and/or futures exchange or securities industry self-regulatory organization), which in any way materially adversely affects the Company and the Material Subsidiaries, on a consolidated basis, or the condition (financial or otherwise) of the Company and the Material Subsidiaries, on a consolidated basis, or which questions the validity of the Special Warrants or the Compensation Options or the issuance of the Underlying Securities, Underlying Compensation Securities or Warrant Shares (and in the case of the Warrant Shares and the Shares comprised in the Underlying Securities and the Underlying Compensation Securities, issuance as fully paid and non-assessable shares), or any action taken or to be taken by the Company pursuant to or in connection with this agreement;

(q) neither the Company nor any of the Material Subsidiaries is in default or in breach in any material respect of, and the execution and delivery of this agreement, the Subscription Agreements, the Special Warrant Certificates, Share Purchase Warrant Certificates and the Compensation Options by the Company, the performance and compliance with the terms of such agreements and instruments and the sale of the Special Warrants and the issuance of the Compensation Options by the Company will not result in any material breach of, or be in conflict with or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, by-laws or resolutions of the Company or any of the Material Subsidiaries or any material mortgage, note, indenture, contract, agreement, instrument, lease or other document to which the Company or any of the Material Subsidiaries is a party or by which any of them is bound or any judgment, decree, order, statute, rule or regulation applicable to any of them, other than any default which does not and will not (including with the giving of notice or lapse of time) have a material adverse effect on the assets or properties, businesses, results of operations or condition (financial or otherwise) of the Company and the Material Subsidiaries, on a consolidated basis;

(r) the Company is a "reporting issuer" in the Qualifying Province and is not in default under the Applicable Securities Laws of such province or any rules of the Exchange;

(s) the Company is a "reporting company" under U.S. federal securities legislation and is not in default under any applicable U.S. securities laws;

(t) other than as described in the two preceding paragraphs, the Company is not a reporting issuer (or equivalent) or subject to the laws of any stock, option and/or future exchange in any other jurisdiction;

(u) no portion of the Company's Information Record to the date hereof contained a misrepresentation as at its date of public dissemination (provided that the foregoing representation is not intended to extend to information and statements included in reliance upon and in conformity with information furnished to the Company by or on behalf of the Underwriters specifically for use therein);

(v) the auditors of the Company who audited the audited consolidated financial statements of the Company for the year ended December 31, 2001 and delivered their report with respect thereto are independent public accountants as required by the Applicable Securities Laws;

(w) there has been no reportable disagreement (within the meaning of National Policy Statement No. 31 of the Canadian Securities Administrators) with the present or any former auditor of the Company;

(x) the currently issued and outstanding Shares are listed and posted for trading on the Exchange and no order ceasing or suspending trading in any securities of the Company or prohibiting the issue and sale of the Special Warrants or the Compensation Options or the trading of any of the Company’s issued securities has been issued and no proceedings for such purpose are pending or, to the best of the Company's knowledge, information and belief, after due inquiry, threatened;

(y) the Company and, to the best of the Company's knowledge, information and belief, after due inquiry, each of the Material Subsidiaries, have filed all federal, provincial, state, local and foreign tax returns that are required to be filed or have requested extensions thereof (except in any case in which the failure to so file would not have a material adverse effect on the assets and properties, business, results of operations, prospects or condition (financial or otherwise) of the Company and the Material Subsidiaries, on a consolidated basis) and have paid all taxes required to be paid by them and any other assessment, fine or penalty levied against them, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that has been disclosed to the Underwriters and is currently being contested in good faith;

(z) the Company and each of the Material Subsidiaries has established on its books and records reserves that are adequate for the payment of all taxes not yet due and payable and there are no liens for taxes on the assets of the Company or the Material Subsidiaries, except for taxes not yet due and there are no audits known by the Company or, to the best of the Company’s knowledge, information and belief, after due inquiry, to be pending, of the tax returns of the Company or the Material Subsidiaries (whether federal, provincial, state, local or foreign) and to the best of the Company's knowledge, information and belief, after due inquiry, there are no claims which have been or may be asserted relating to any such tax returns, which audits and claims, if determined adversely, would result in the assertion by any governmental agency of any deficiency that would have a material adverse effect on the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company and the Material Subsidiaries, taken as a whole;

(aa) none of Canada Customs and Revenue Agency, Taxation and Excise or any provincial, state or foreign taxation authority has asserted or, to the best of the Company's knowledge, information and belief, after due inquiry, threatened to assert any assessment, claim or liability for taxes due or to become due in connection with any review or examination of the tax returns of the Company or any of the Material Subsidiaries filed for any year which would have a material adverse effect on the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company and the Material Subsidiaries, taken as a whole;

(bb) the Company and each of the Material Subsidiaries 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 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;

(cc) to the best of the Company's knowledge, information and belief, after due inquiry no other party is in default in the observance or performance of any material term or obligation to be performed by it under any contract entered into by the Company or any of the Material Subsidiaries and material to the business of the Company and the Material Subsidiaries, on a consolidated basis, and no event has occurred which with notice or lapse of time or both would constitute such a default, in any such case which default or event would have a material adverse effect on the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company and the Material Subsidiaries, on a consolidated basis;

(dd) the net proceeds of the Offering will be used in the manner specified in Schedule "A" hereto;

(ee) this agreement, the Subscription Agreements, the Special Warrant Certificates, the Share Purchase Warrant Certificates and Compensation Option Agreements and all other contracts required in connection with the issue and sale of the Special Warrants and Compensation Option and the distribution of the Underlying Securities, the Underlying Compensation Securities and the Warrant Shares will be, prior to the Closing Date, and each of the other agreements to be described under the heading "Material Contracts" (or its equivalent) in the Final Prospectus shall be, as at the date of the Final Prospectus, duly authorized, executed and delivered by the Company and will be valid and binding obligations of the Company enforceable in accordance with their respective terms (except as the enforceability thereof may be limited by (i) bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally, (ii) general equitable principles or (iii) limitations under applicable law in respect of rights of indemnity, contribution and waiver of contribution);

(ff) the forms of the certificates representing the Special Warrants, Share Purchase Warrants and the Shares will be duly approved by the directors of the Company and comply with the provisions of the *Business Corporations Act* (Ontario) and, to the extent applicable, the rules and policies of the Exchange;

(gg) other than the Underwriters, there is no person acting or purporting to act at the request of the Company, who is entitled to any brokerage or agency fee in connection with the transactions contemplated herein;

(hh) except as contemplated in this agreement, the Company will not issue or sell any Shares or financial instruments convertible or exchangeable into Shares, other than stock options granted in the ordinary course under the Company's stock option plan or to satisfy Outstanding Convertible Securities for a period from the date hereof until 90 days after the date of the Prospectus Receipt, without the prior consent of the Underwriters, such consent not to be unreasonably withheld;

(ii) the Company and each of the Material Subsidiaries have their property and assets insured against loss or damage by insurable hazards or risks. Such insurance coverage is of a type and in an amount typical to the businesses in which the Company and each of the Material Subsidiaries operates as conducted by a reasonably prudent person, based on the advice of reputable insurance brokers consulted by the Company. Neither the Company nor any of the Material Subsidiaries have made any material claim on any policy of insurance or been refused any insurance coverage sought or applied for. Neither the Company nor any of the Material Subsidiaries have any reason to believe that it will not be able to renew its existing insurance coverage as an 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 be reasonably expected to have a material adverse effect on the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company and the Material Subsidiaries, taken as a whole;

(jj) except as disclosed in the Company's Information Record and to the best of the Company's knowledge, information and belief, after due inquiry, none of the directors or officers of the Company, any holder of more than ten per cent (10%) of any class of shares of the Company, or any associate or affiliate of any of the foregoing persons or companies (as such terms are defined in the *Securities Act* (Ontario)), has any material interest, direct or indirect, in any material transaction or any proposed material transaction which, as the case may be, materially affected, is material to or will materially affect the Company or any of the Material Subsidiaries;

4.1.2 *Intellectual Property Rights and Technology*

(a) To the best of the Company's knowledge, information and belief, after due inquiry, the Company is not aware of a claim of any infringement or breach by the Company or any of the Material Subsidiaries of any industrial, patent or intellectual property rights of any other person, nor has the Company nor any of the Material Subsidiaries received any notice nor is the Company or any of the Material Subsidiaries otherwise aware that the use of the business names, trademarks, service marks and industrial, patent or copyright or other intellectual property of the Company or the Material Subsidiaries infringes upon or breaches any industrial, patent, copyright or other intellectual property rights of any other person and the Company has no knowledge of any infringement or violation of any of its rights or the rights of any of the Material Subsidiaries in such industrial, patent, copyright and other intellectual property and the Company is not aware of any state of facts which casts doubt on the validity or enforceability of any of such industrial, patent, copyright or other intellectual property rights;

(b) the Company and the Material Subsidiaries own or possess adequate enforceable rights to use all patents, patent applications, trademarks, service marks, copyrights, trade secrets, processes or formulations used or proposed to be used in the conduct of their respective businesses (collectively, the "**Proprietary Rights**") and, to the best of the Company's knowledge, information and belief, after due inquiry, neither the Company nor any of the Material Subsidiaries is infringing upon the rights of others with respect to its respective Proprietary Rights and no others have infringed such Proprietary Rights;

(c) to the best of the Company's knowledge, information and belief, after due inquiry, all computer software: (i) used by the Company and the Material Subsidiaries in their respective businesses; or (ii) licensed, leased, sold or otherwise distributed or provided to others by or on behalf of the Company or the Material Subsidiaries is either owned by the Company or the applicable Material Subsidiary (the "**Owned Software**") or is licensed to the Company or the applicable Material Subsidiary (the "**Licensed Software**");

(d) to the best of the Company's knowledge, information and belief, after due inquiry, each author of Owned Software (or any part thereof), at the time he or she created such Owned Software, was employed by the Company or one of the Material Subsidiaries under a contract of service or apprenticeship, and such Owned Software was created in the course of his or her employment by the Company or one of the Material Subsidiaries and no agreement grants to such employee any ownership rights (in respect of copyright or otherwise) in such Owned Software;

(e) to the best of the Company's knowledge, information and belief, after due inquiry, all Licensed Software is licensed to the Company or one of the Material Subsidiaries pursuant to written license agreements under which the Company or such Material Subsidiary is in good standing and is entitled to all benefits thereunder, and there exists no state of facts which after notice or lapse of time or both would constitute a default or breach thereunder and, to the best of the Company's knowledge, information and belief, after due inquiry, none of the other parties to such agreements is in material default thereunder;

(f) to the best of the Company's knowledge, information and belief, after due inquiry, no employee or former employee of the Company or any Material Subsidiary is in violation of any term of any non-disclosure, proprietary rights or similar agreement between the Company or any Material Subsidiary and the employee or former employee;

(g) to the best of the Company's knowledge, information and belief, after due inquiry, all technical information developed by and belonging to the Company or any Material Subsidiary which has not been patented has been kept confidential to a level commensurate with management's understanding as to industry practice to the extent that management of the Company or the applicable Material Subsidiary considers it necessary for the purpose of its business;

(h) to the best of the Company's knowledge, information and belief, after due inquiry, other than as disclosed in the Company's Information Record, there are no royalties, honoraria, fees or other payments payable by the Company or any Material Subsidiary to any person by reason of the ownership, use, license, sale or disposition of any of the Proprietary Rights; and

(i) to the best of the Company's knowledge, information and belief, after due inquiry, all persons having access to or knowledge of the Proprietary Rights or any information of a confidential nature that is necessary or required or otherwise used for or in connection with the conduct or operation or proposed conduct or operation of the business of the Company or any Material Subsidiary have entered into appropriate non-disclosure agreements with, or are subject to confidentiality obligations to, the Company or the Material Subsidiary which are commensurate with management's understanding as to industry practice to the extent that management of the Company or the applicable Material Subsidiary considers it necessary for the purpose of its business;

4.1.3 *Health and Environmental Matters*

(a) To the best of the Company's knowledge, information and belief, after due inquiry, the Company and each of the Material Subsidiaries has been and is in material compliance with all, and has not received any notice of, or been prosecuted for an offence alleging, non-compliance with any, applicable federal, provincial, municipal, state and local laws, statutes, ordinances, by-laws and regulations and orders, directives and decisions rendered by any ministry, department or administrative or regulatory agency, domestic or foreign ("**Environmental and Health Laws**"), relating to the protection of the environment, occupational health and safety or the processing, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substance ("**Hazardous Substances**");

(b) to the best of the Company's knowledge, information and belief, after due inquiry: (i) the Company and each of the Material Subsidiaries has obtained all material licences, permits, approvals, consents, certificates, registrations and other authorizations under Environmental and Health Laws (the "**Required Permits**") required by applicable law for the operation of their respective businesses; (ii) each Required Permit is valid, subsisting and in good standing and the holders of the Required Permits are not in material default or breach thereof; and (iii) no proceeding is pending or threatened to revoke or limit any Required Permit except where such breach would not have a material adverse effect on the Company and the Material Subsidiaries, taken as a whole; and

(c) to the best of Company's knowledge, information and belief, after due inquiry, neither of the Company nor any of the Material Subsidiaries has used, except in compliance with all Environmental and Health Laws, any property or facility which it owns or leases or previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Substance.

4.1.4 *Employment Matters*

(a) The Company and the Material Subsidiaries are in all material respects in compliance with all applicable laws and regulations respecting employment and employment practices;

(b) each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by the Company and each of the Material Subsidiaries for the benefit of any current or former director, officer, employee or consultant (the "**Employee Plans**") has been maintained in material compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans. The Company and the Material Subsidiaries do not and have not had any pension plan (as that term is defined in the *Pension Benefits Act* (Ontario));

(c) all material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or provincial pension plan premiums, accrued wages, salaries and commissions and Employee Plan payments have been reflected in the books and records of the Company and the Material Subsidiaries;

(d) to the best of the Company's knowledge, information and belief, after due inquiry, there has not been and there is not currently any labour trouble which is adversely effecting or could adversely effect, in a material manner, the carrying on of the business of the Company and the Material Subsidiaries; and

(e) except as disclosed in the Company's Information Record and to the best of the Company's knowledge, information and belief, after due inquiry, neither the Company nor any Material Subsidiary owes any monies to, nor has the Company or any Material Subsidiary any present loans to, or borrowed any monies from or is otherwise indebted to, any officer, director, employee, shareholder or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada)) with any of them except for usual employee reimbursements and compensation paid in the ordinary and normal course of their respective businesses. Except as disclosed in the Company's Information Record and to the best of the Company's knowledge information and belief, after due inquiry, except usual employee or consulting arrangements made in the ordinary and normal course of business, neither the Company nor any Material Subsidiary is a party to any contract, agreement or understanding with any officer, director, employee, shareholder or any other person not dealing at arm's length with them. To the best of the Company's knowledge, information and belief, after due inquiry, no officer, director or employee of the Company or any Material Subsidiary and no entity which is an affiliate or associate of one or more of the foregoing, owns, directly or indirectly, any interest in (except for shares representing less than 5% of the outstanding shares of any class or series of any publicly traded company), or is an officer, director, employee or consultant of, any person which is, or is engaged in, a business competitive with the Company or any Material Subsidiary which could materially adversely impact on the ability to duly and properly perform their services. To the knowledge of the Company, after due inquiry, no officer, director, employee or security holder of the Company or any Material Subsidiary has any cause of action or other claim whatsoever against, or owes any amount to, the Company or any Material Subsidiary in connection with their respective businesses except for claims in the ordinary and normal course of the business such as for accrued vacation pay or other amounts or matters which would not be material to the Company or the Material Subsidiary.

4.1.5 *Regulatory Matters*

(a) All necessary documents and proceedings have been or will be filed and taken and all other legal requirements have been or will be fulfilled under each of the Applicable Securities Laws in connection with the issuance and sale, as the case may be, of the Special Warrants, Compensation Options, Underlying Securities, Underlying Compensation Securities and Warrant Shares to the Purchasers and the Underwriters, as the case may be.

(b) The Company shall, as soon as practicable, use its commercially reasonable best efforts to receive all necessary consents to the transactions contemplated herein. During and prior to the distribution of the Underlying Securities and the Underlying Compensation Securities, the Company will take or use its commercially reasonable best efforts to cause to be taken all steps and proceedings (including obtaining the issuance of the Prospectus Receipt) that may be required under Applicable Securities Laws to qualify the Underlying Securities, Underlying Compensation Securities and Warrant Shares for sale to the public in the Qualifying Province through registrants (or the equivalent) registered under Applicable Securities Laws who have complied with the relevant provisions thereof and to qualify, to the extent permitted by the Securities Commission, the Underlying Compensation Securities for distribution to the Underwriters.

(c) The Company will use its commercially reasonable best efforts to arrange for the listing and posting for trading of the Warrant Shares and the Shares forming part of the Underlying Securities and Underlying Compensation Securities on the Exchange as soon as possible following their issue;

4.1.6 *Due Diligence Matters*

(a) Prior to the cessation of distribution of the Underlying Securities, the Company shall allow the Underwriters to conduct all due diligence which they may reasonably require to conduct in respect of the Offering and during such period, the Company will give to the Underwriters, the Underwriters' counsel and other representatives of the Underwriter, such access during normal business hours to all locations where the respective businesses of the Company and the Material Subsidiaries are carried on and to the properties, books, contracts, commitments and records of the Company and the Material Subsidiaries pertaining to their businesses as may be reasonably required for the Underwriters to fulfil their obligations hereunder and under Applicable Securities Laws;

(b) during the period referred to in subsection (a), the Company shall furnish the Underwriters with all information concerning the affairs of the business of the Company and the Material Subsidiaries as the Underwriters may reasonably request;

(c) prior to the filing of the Preliminary Prospectus and thereafter and prior to the filing of the Final Prospectus and any Supplementary Material, the Company will allow the Underwriters to participate fully in the preparation of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material and will allow the Underwriters to conduct all due diligence which they may reasonably require to conduct in order to fulfil their obligations and in order to enable them responsibly to execute the certificate required to be executed by them at the end of each of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material. The parties agree that the Underwriters may withhold their consent to, or refuse to sign, the certificates referred to in this clause if, acting in good faith, the Underwriters reasonably believe that: (i) the disclosure document does not contain full, true and plain disclosure of all material facts; or (ii) there is a misrepresentation in the subject disclosure document; and

(d) the Company will promptly inform the Underwriters in writing during the period of distribution of the Underlying Securities of the full particulars of any material change or any change in a material fact (in either case, whether actual, anticipated, contemplated or threatened) or any event or development involving a prospective material change or a change in a material fact in any or all of the business, affairs, operations, assets, liabilities (contingent or otherwise), capital, ownership, control, management or prospects of the Company and the Material Subsidiaries, taken as a whole, or of any change in any material fact contained or referred to in any of the Offering Documents which is, or may be, of such a nature as to render the Offering Documents, or any of them, untrue, false or misleading in a material respect or result in a misrepresentation, or could render any of the Offering Documents not in compliance with any of the Applicable Securities Laws;

(e) the Company will promptly notify the Underwriters in writing with full particulars of any such actual, anticipated, contemplated, threatened or prospective change referred to in the first preceding paragraph and the Company will, to the reasonable satisfaction of the Underwriters, issue or file, as applicable, promptly and, in any event, within all applicable time limitation periods with the Securities Commission, in the case of an adverse material change, a new or amended Preliminary Prospectus, and, in the case of a material change, a new or amended Final Prospectus or Supplementary Material, as the case may be, or press release and material change report as may be required under Applicable Securities Laws and shall comply with all other applicable filing and other requirements under the Applicable Securities Laws including any requirements necessary to qualify the issuance and distribution of the Underlying Securities and Warrant Shares and shall deliver to the Underwriters as soon as practicable thereafter their reasonable requirements of conformed or commercial copies of any such new or amended Preliminary Prospectus, Final Prospectus or Supplementary Material. The Company shall not file any such new or amended disclosure documentation without first obtaining the written approval of the form and content thereof by the Underwriters, which approval shall be promptly considered and not unreasonably withheld, and shall not issue or file, as applicable, any press release or material change report without giving the Underwriters a reasonable opportunity for review of the proposed forms;

(f) the Company will in good faith discuss with the Underwriters as promptly as possible any circumstance or event which is of such a nature that there is or ought to be consideration given as to whether there may be a material change or change in a material fact described in the preceding two paragraphs;

(g) the minute books and corporate records of the Company and the Material Subsidiaries made or to be made available to Fogler, Rubinoff LLP or its local agent counsel in connection with the Underwriters' due diligence investigations of the Company and the Material Subsidiaries for the period from their respective dates of incorporation to the date of examination thereof, are the original minute books and records of the Company and the Material Subsidiaries or true copies thereof and contain copies of all proceedings (or certified copies thereof) of the shareholders, the boards of directors and all committees of the boards of directors of such companies and there have been no other proceedings of the shareholders, boards of directors or any committee of the boards of directors of such companies to the date of review of such corporate records and minute books not reflected in such minute books and corporate and other records other than those which have been disclosed to the Underwriters in writing and those which are not material in the context of the Company and the Material Subsidiaries, taken as a whole.

4.1.7 *Prospectus*

(a) the Company shall, as soon as possible, use its commercially reasonable best efforts to prepare and file the Preliminary Prospectus with the Securities Commission to enable the receipts in respect of the Preliminary Prospectus to be issued by the Securities Commission in accordance with Applicable Securities Laws qualifying, to the extent permitted by the Securities Commission, the distribution of the Underlying Securities, the Underlying Compensation Securities and the Warrant Shares;

(b) the Company shall: (i) use its commercially reasonable best efforts to settle as expeditiously as possible any comments made by the Securities Commission on the Preliminary Prospectus, (ii) as soon as practicable thereafter prepare and file the Final Prospectus under Applicable Securities Laws with the Securities Commission and use its commercial reasonable best efforts to obtain the Prospectus Receipt therefor qualifying, to the extent permitted by the Securities Commission, the distribution of the Underlying Securities, the Underlying Compensation Securities and the Warrant Shares; and (iii) subject to the foregoing, take all other steps and proceedings that may be necessary in order to qualify, to the extent permitted by the Securities Commission, the Underlying Securities and Warrant Shares for distribution to the public in the Qualifying Province to holders of the Special Warrants and the Underlying Compensation Securities and Warrant Shares for distribution to the Underwriters;

(c) prior to the filing of the Preliminary Prospectus and thereafter and prior to the filing of the Final Prospectus and any Supplementary Material, the Company shall allow the Underwriters to participate fully in the preparation of such documents and shall allow the Underwriters to conduct all due diligence which the Underwriters may reasonably require to conduct in order to fulfil their obligations as agents and in order to enable the Underwriters responsibly to execute the certificate required to be executed by the Underwriters at the end of such documents. The parties agree that the Underwriters may only withhold their consent to, or refuse to sign, the certificate referred to in this clause if, acting in good faith, the Underwriters reasonably believe that: (i) the disclosure document does not contain full, true and plain disclosure of all material facts; or (ii) there is a misrepresentation in the subject Offering Document;

(d) at the respective times of filing and at all times subsequent to the filing thereof during the distribution of the Underlying Securities, Underlying Compensation Securities and Warrant Shares, each of the Offering Documents will comply with the requirements of the Applicable Securities Laws and will provide full, true and plain disclosure of all material facts relating to the Company, the Underlying Securities, the Underlying Compensation Securities and the Warrant Shares as required by the Applicable Securities Laws, and the Offering Documents will not contain any misrepresentation, provided that the foregoing shall not apply with respect to statements contained in such documents included in reliance upon and in conformity with information furnished to the Company by or on behalf of the Underwriters relating to the Underwriters specifically for use therein;

(e) the Company will deliver from time to time without charge to the Underwriters as many copies of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material as the Underwriters may reasonably request for the purposes contemplated hereunder and contemplated by the Applicable Securities Laws and such delivery shall constitute the consent of the Company to use such documents in connection with the distribution to the public of the Underlying Securities and Warrant Shares in the Qualifying Province, subject to the provisions of all Applicable Securities Laws in the Qualifying Province and this agreement. The delivery by the Company to the Underwriters of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material shall constitute the Company's representation and warranty to the Underwriters and the Purchasers that, at the respective times of such delivery, the information and statements contained or referred to therein (except information and statements relating solely to the Underwriters) are true and correct in all material respects, contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Company, the Material Subsidiaries, the Special Warrants and the Underlying Securities as required by the Applicable Securities Laws;

5. Participation Right

5.1 The Company agrees to use its reasonable efforts to allow Haywood Securities Inc. to participate in any further Canadian equity offerings for a period of eighteen (18) months from the Closing Date, in respect of which an investment banking syndicate is formed.

6. Conditions to Purchase Obligation

6.1 The following are conditions of the Underwriters' and the Purchasers' obligations to close the purchase of the Special Warrants from the Company as contemplated hereby, which conditions the Company covenants to exercise its reasonable best efforts to have fulfilled at or prior to the Closing Date, which conditions may be waived in writing in whole or in part by the Underwriters on their own behalf and on behalf of the Purchasers:

(a) the Company will have entered into Subscription Agreements with the Purchasers, providing, among other things, for recission rights in favour of the Purchasers as required by applicable Securities Laws and, unless the Company reasonably believes that it would be unlawful to do so, accept each duly executed Subscription Agreement submitted to the Company;

(b) the Company shall have made and/or obtained the necessary filings, approvals, consents and acceptances to or from, as the case may be, the Securities Commission and the Exchange required to be made or obtained by the Company in connection with the Offering, on terms which are acceptable to the Company and the Underwriters, acting reasonably, prior to the Closing Date, it being understood that the Underwriters will do all that is reasonably required to assist the Company to fulfil this condition;

(c) the Warrant Shares and the Shares comprised in the Underlying Securities and the Underlying Compensation Securities shall have been conditionally accepted for listing by the Exchange, subject to the usual conditions, and will, as soon as possible following their issue and the satisfaction of such conditions, be posted for trading on the Exchange;

(d) the Company's board of directors shall have authorized and approved this agreement, the forms of Special Warrant Certificates and Share Purchase Warrant Certificates, the Compensation Options and other agreements pursuant to which the Special Warrants, Underlying Securities, Compensation Options, Underlying Compensation Securities and Warrant Shares are to be issued, the form of Subscription Agreement, the issuance of the Special Warrants, the issuance of the Compensation Options, the issuance of the Underlying Securities, the issuance of the Underlying Compensation Securities and the issuance of the Warrant Shares and all matters relating to the foregoing;

(e) the Company shall deliver a certificate of the Company and signed on behalf of the Company by the chief executive officer of the Company and chief financial officer of the Company or such other senior officers of the Company as may be acceptable to the Underwriters, acting reasonably, addressed to the Underwriters and to the Purchasers and dated the Closing Date, in form and content satisfactory to the Underwriters' counsel, acting reasonably, certifying that:

  (i) no order ceasing or suspending trading in any securities of the Company or prohibiting the sale and issuance of the Special Warrants, the Compensation

Options, the Underlying Securities, the Warrant Shares, the Underlying Compensation Securities or any of the Company's issued securities has been issued and no proceedings for such purpose are pending or, to the knowledge of such officers, threatened;

(ii) there has been no adverse material change (actual, proposed or prospective, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Company or any of the Material Subsidiaries since the date hereof which has not been generally disclosed;

(iii) since the date hereof, no material change relating to the Company or any of the Material Subsidiaries, except for the Offering, has occurred with respect to which the requisite material change statement or report has not been filed and no such disclosure has been made on a confidential basis;

(iv) any financial statements which have been delivered by the Company to its security holders after the date hereof and prior to the Closing Date present fairly in all material respects the financial condition of the Company for the period(s) then ended;

(v) the representations and warranties of the Company contained in this agreement are true and correct at the Time of Closing, with the same force and effect as if made by the Company as at the Time of Closing after giving effect to the transactions contemplated hereby; and

(vi) the Company has complied with all the covenants and satisfied all the terms and conditions of this agreement on its part to be complied with or satisfied at or prior to the Time of Closing;

(f) the Company will have caused a favourable legal opinion to be delivered by its Canadian counsel, addressed to the Underwriters, the Purchasers and the Underwriters' counsel with respect to such matters as the Underwriters may reasonably request relating to this transaction, acceptable in all reasonable respects to the Underwriters' counsel, including as to those matters identified in Schedule "D" hereto. In giving such opinions, counsel to the Company shall be entitled to rely, to the extent appropriate in the circumstances, upon local counsel and shall be entitled as to matters of fact not within their knowledge to rely upon a certificate of fact from responsible persons in a position to have knowledge of such facts and their accuracy including the certificate of the Company's registrar and transfer agent as to the outstanding securities of the Company. The Company agrees, and the aforesaid legal opinion shall expressly provide, that the Underwriters may deliver copies of the opinion to each of the addressees thereof;

(g) the Company will have caused a favourable legal opinion to be delivered by its local counsel in the jurisdiction in which each of its Material Subsidiaries is incorporated or organized to the effect that each respective Material Subsidiary has been incorporated and is validly subsisting under the laws of its respective jurisdiction of incorporation or organization, as to the registered holdings of the voting securities of such Material Subsidiary and that each Material Subsidiary has all requisite corporate capacity to own its properties and to carry on its business as presently carried on; and

(h) the Underwriters shall have received such other certificates, statutory declarations, opinions, agreements and materials, in form and substance satisfactory to the Underwriters, as the Underwriters may reasonably request.

7. Additional Documents Upon Filing of Prospectus

7.1 The Company shall cause to be delivered to the Underwriters concurrently with the filing of the Final Prospectus, or any Supplementary Material executed by the Underwriters a comfort letter dated the date thereof from the auditors of the Company and addressed to the Underwriters and to the directors of the Company, in form and substance satisfactory to the Underwriters, relating to:

(i) the verification of the financial information and accounting data and other numerical data of a financial nature contained therein and matters involving changes or developments since the respective dates as of which specified financial information is given therein, to a date not more than two Business Days prior to the date of such letter; and

(ii) the period beyond the most recent year end of the Company for which an audited financial statement appears therein to a date not more than two Business Days prior to the date of such letter.

8. Closing

8.1 The Offering will be completed at the offices of the Company's counsel at the Time of Closing or such other place, date or time as may be mutually agreed to; provided that if the Company has not been able to comply with any of the covenants or conditions set out herein required to be complied with by the Time of Closing or such other date and time as may be mutually agreed to, the respective obligations of the parties will terminate without further liability or obligation except for payment of expenses, indemnity and contribution provided for in this agreement.

8.2 At the Time of Closing, the Company shall deliver to the Underwriters:

(a) certificates duly registered as the Underwriters may direct representing the Special Warrants;

(b) Compensation Option Agreements duly completed as the Underwriters may direct;

(c) the requisite legal opinions and certificates as contemplated above; and

(d) such further documentation as may be contemplated herein or as counsel to the Underwriters or the applicable regulatory authorities may reasonably require,

against payment of the purchase price for the Special Warrants net of the Underwriting Fee by certified cheque or bank draft and delivery of the Subscription Agreements and other documentation required to be provided by or on behalf of the Purchasers or the Underwriters pursuant to this agreement. The Company will, at the Time of Closing and upon such payment of the purchase price, reimburse the Underwriters for all of their estimated expenses as contemplated herein incurred up to the Closing Date upon the delivery by them to the Company of one or more invoices therefor, subject to any adjustment when such actual expenses are finally determined in accordance with Section 12 hereof.

8.3 With respect to the deliveries and payments provided for in Section 7.2:

(a) if Schedule "A" hereto provides that all or any part of the proceeds of the Offering are to be held in escrow, the Underwriters will have fulfilled their payment obligations in respect of the amount to be held in escrow by payment of the applicable amounts at the Time of Closing to the Custodian (as defined in Schedule "A", if applicable); and

(b) the Company will ensure that certificates representing the Special Warrants are available at the Time of Closing in Toronto.

8.4 All terms and conditions of this agreement shall be construed as conditions and any breach or failure to comply with any such terms and conditions shall entitle the Underwriters to terminate their obligations (and that of the Purchasers) to purchase the Special Warrants by written notice to that effect given to the Company prior to the Time of Closing. It is understood that the Underwriters may waive in whole or in part, or extend the time for compliance with, any of such terms and conditions on behalf of themselves and the Purchasers without prejudice to their rights in respect of any such terms and conditions or any other subsequent breach or non-compliance, provided that to be binding on the Underwriters and the Purchasers, any such waiver or extension must be in writing.

9. Termination of Purchase Obligation

9.1 Without limiting any of the foregoing provisions of this agreement, and in addition to any other remedies which may be available to them, the Underwriters (on their own behalf and on behalf of the Purchasers) shall be entitled, at their option, to terminate and cancel, without any liability on their part, their obligations under this agreement, to purchase the Special Warrants, by giving written notice to the Company at any time through to the Time of Closing if:

(a) the Underwriters reasonably determine that there is a misrepresentation in the Company's Information Record;

(b) any order (other than an order based solely upon the activities or alleged activities of the Underwriters) to cease or suspend trading in any securities of the Company is made by the Exchange, the Securities Commission or other regulatory authority, which has not been rescinded, revoked or withdrawn;

(c) any order or ruling is issued, any inquiry, investigation or other proceeding (whether formal or informal) in relation to the Company, the Material Subsidiaries or the respective directors or officers thereof is made, threatened or announced by any officer or official of the Exchange, the Securities Commission or other regulatory authority (other than an order based solely upon the activities or alleged activities of the Underwriters) or any law or regulation is promulgated or changed which operates to prevent or restrict trading in or distribution of the Special Warrants, Compensation Options, the Underlying Securities, Underlying Compensation Securities or Warrant Shares;

(d) there should develop, occur or come into effect any incident of national or international consequence, any law, regulation or inquiry or any other event, action or occurrence of any nature whatsoever which materially and adversely affects or may materially and adversely affect the financial markets in Canada generally or the business of the Company and its subsidiaries, on a consolidated basis;

(e) there should occur any material change or change in a material fact relating to the Company which impacts, in the reasonable opinion of the Underwriters, materially and adversely on the marketability of the Special Warrants or the Underlying Securities; or

(f) the Company is in breach of any material term, condition or covenant of this agreement (which has not been waived in writing by the Underwriters) or any material representation or warranty given by the Company in this agreement becomes or is false (and such representation or warranty is not waived in writing by the Underwriters), the occurrence or non-occurrence of any of the foregoing events or circumstances to be determined in the sole discretion of the Underwriters, acting reasonably.

The Underwriters shall make reasonable efforts to give notice to the Company (in writing or by other means) of the occurrence of any of the events or circumstances referred to in this section, provided that neither the giving nor the failure to give such notice shall in any way affect the Underwriters' entitlement to exercise this right at any time through to the Time of Closing.

The Underwriters' rights of termination contained in this section are in addition to any other rights or remedies they may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this agreement.

9.2 If the obligations of the Underwriters and the Purchasers are terminated under this agreement pursuant to the termination rights provided for in Section 8.1, the Company's liabilities to the Underwriters shall be limited to the Company's obligations under the indemnity, contribution and expense provisions of this agreement.

10. Indemnity

10.1 The Company covenants and agrees to indemnify each of the Underwriters, and their respective directors, officers, employees and agents (each being hereinafter referred to as an "**Indemnified Party**"), against, and to reimburse each Underwriter promptly upon demand for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending, all losses (other than a loss of profits), claims, damages, liabilities, costs or expenses caused or incurred by reason of:

(a) any statement, other than a statement relating solely to any or all of the Underwriters, contained in any of the Offering Documents which constitutes or is alleged to constitute a misrepresentation;

(b) any statement, other than a statement relating solely to the Underwriters, contained in the Company's Information Record which, at the time and in the light of the circumstances under which it was made, contains or is alleged to contain a misrepresentation;

(c) the omission or alleged omission to state in any of the Offering Documents, the Company's Information Record or any certificate of the Company delivered hereunder or pursuant hereto any material fact (other than a material fact omitted in reliance upon information furnished to the Company by or on behalf of the Underwriters) required to be stated therein or necessary to make any statement therein not misleading in light of the circumstances under which it was made;

(d) any order made or inquiry, investigation or proceeding commenced or threatened by the Securities Commission or any other competent authority based upon any misrepresentation or alleged misrepresentation in any of the Offering Documents or the Company's Information Record (other than a statement included in reliance upon information furnished to the Company by or on behalf of the Underwriters specifically for use therein) which prevents or restricts the trading in the Underlying Securities, Underlying Compensation Securities or Warrant Shares or the distribution to the public, as the case may be, of the Underlying Securities, Underlying Compensation Securities or Warrant Shares in the Qualifying Province;

(e) the Company not complying with any requirement of any Applicable Securities Laws or regulatory requirements (including any private placement filing or other requirements under Applicable Securities Laws); or

(f) any breach of any material representation or warranty of the Company contained herein or the failure of the Company to comply with any of its material obligations hereunder.

10.2 If any action or claim shall be asserted against an Indemnified Party in respect of which indemnity may be sought from the Company pursuant to the provisions of Section 9.1 or if any potential claim contemplated hereby shall come to the knowledge of an Indemnified Party, the Indemnified Party shall promptly notify the Company in writing. If, through the fault of the Indemnified Party, the Company does not receive notice of any such action, claim or potential claim in time to contest effectively the determination of any liability susceptible of being contested, the Company shall be entitled to set off against the amount claimed by the Indemnified Party the amount of any losses incurred by the Company which result from the Indemnified Party's failure to give such notice on a timely basis. The Company shall be entitled but not obligated to participate in or assume the defence thereof; provided, however, that the defence shall be through legal counsel acceptable to the Indemnified Party, acting reasonably. In addition, the Indemnified Party shall also have the right to employ separate counsel in any such action and participate in the defence thereof, and the fees and expenses of such counsel shall be borne by the Indemnified Party unless:

(a) the employment thereof has been specifically authorized in writing by the Company;

(b) the Indemnified Party has been advised by counsel, acting reasonably, in a written opinion setting out the reasons therefor, that representation of the Company and the Indemnified Party by the same counsel would be inappropriate due to actual or potential differing interests between them; or

(c) the Company has failed within a reasonable time after receipt of such written notice to assume the defense of such action or claim;

provided that the Company shall not be required to assume the fees and expenses of more than one additional counsel to the Indemnified Party. Neither party shall effect any settlement of any such action or claim or make any admission of liability without the written consent of the other party, such consent to be promptly considered and not to be unreasonably withheld. The indemnity hereby provided for shall remain in full force and effect and shall not be limited to or affected by any other indemnity in respect of any matters specified herein obtained by the Indemnified Party from any other person.

10.3 To the extent that any Indemnified Party is not a party to this agreement, the Underwriters shall obtain and hold the right and benefit of the indemnity provisions hereof in trust for and on behalf of such Indemnified Party.

11. <u>Contribution</u>

11.1 In the event that the indemnity provided for above is, for any reason, illegal or unenforceable as being contrary to public policy or for any other reason, the Underwriters and the Company shall contribute to the aggregate of all losses, claims, costs, damages, expenses or liabilities (including any legal or other expenses reasonably incurred by the Indemnified Party) of the nature provided for above such that each Underwriter shall be responsible for that portion represented by the percentage that the portion of the Underwriting Fee payable by the Company to such Underwriter bears to the gross proceeds realized from the sale of the Special Warrants, whether the Underwriters have been sued together or separately, and the Company shall be responsible for the balance, provided that, in no event, shall an Underwriter be responsible for any amount in excess of the amount of the Underwriting Fee actually received by the Underwriter. In the event that the Company may be held to be entitled to contribution from such Underwriter under the provisions of any statute or law, the Company shall be limited to contribution in an amount not exceeding the lesser of: (i) the portion of the full amount of losses, claims, costs, damages, expenses and liabilities, giving rise to such contribution for which such Underwriter is responsible, as determined above, and (ii) the amount of the Underwriting Fee actually received by such Underwriter. Notwithstanding the foregoing, a party guilty of fraudulent misrepresentation shall not be entitled to contribution from the other party. Any party entitled to contribution will, promptly after receiving notice of commencement of any claim, action, suit or proceeding against such party in respect of which a claim for contribution may be made against the other party under this section, notify such party from whom contribution may be sought. In no case shall such party from whom contribution may be sought be liable under this agreement unless such notice has been provided, but the omission to so notify such party shall not relieve the party from whom contribution may be sought from any other obligation it may have otherwise than under this Section. The right to contribution provided in this Section shall be in addition to, and not in derogation of, any other right to contribution which the Underwriters or the Company may have by statute or otherwise by law.

11.2 The Company waives its right to recover contribution from the Underwriters or any other Indemnified Party with respect to any liability of the Company solely by reason of or arising out of any misrepresentation contained in any of the Offering Documents or the Company's Information Record, other than a misrepresentation included in reliance upon information furnished to the Company by or on behalf of the Underwriters specifically for use therein.

12. Expenses

12.1 All expenses of or incidental to the sale of the Special Warrants and the filing of the Preliminary Prospectus and the Final Prospectus shall be borne by the Company, including the reasonable fees, disbursements and any applicable tax payable thereon of counsel for the Underwriters incurred in connection with the Offering and the prospectus filings and the Company shall also be responsible for other reasonable "out-of-pocket expenses" of the Underwriters, with any single such "out-of-pocket" expense in excess of $3,000 to be approved by the Company. The Underwriters' reasonable "out-of-pocket" expenses and the Underwriters' reasonable legal fees and disbursements and Canadian Federal Goods and Services Tax payable thereon, to the extent they are then determinable, shall be paid to the Underwriters from the gross proceeds of the Offering immediately prior to those proceeds being distributed to the Company. The remaining expenses shall be paid promptly upon invoice.

In the event that the Offering is not completed, the Company shall be responsible for the reasonable "out-of-pocket expenses" of the Underwriters and the reasonable fees and disbursements and tax payable thereon of counsel for the Underwriters incurred in connection with the Offering. These fees shall be paid by the Company promptly upon invoice.

13. Liability of Underwriters

13.1 The obligations of the Underwriters to purchase the Special Warrants in connection with the Offering at the Time of Closing shall be several (and not joint or joint and several) and shall be as to the following percentages of the Special Warrants to be purchased at that time:

Name of Underwriter	**Liability**
Haywood Securities Inc.	63.37%
Sprott Securities Inc.	36.63%

13.2 If either of the Underwriters fails to purchase its applicable percentage of the aggregate amount of the Special Warrants at the Time of Closing, the other Underwriter shall have the right, but shall not be obligated, to purchase the Special Warrants which would otherwise have been purchased by the Underwriter which fails to purchase. If, with respect to the Special Warrants, the non-defaulting Underwriter elects not to exercise such rights to assume the entire obligations of the defaulting Underwriter, then the Company shall have the right to terminate its obligations hereunder without liability except in respect of its indemnity, contribution and expense obligations in respect of the non-defaulting Underwriter. Nothing in this paragraph shall oblige the Company to sell to the Underwriters less than all of the aggregate amount of the Special Warrants or shall relieve an Underwriter in default hereunder from liability to the Company.

14. <u>Action by Underwriters</u>

14.1 All steps which must or may be taken by the Underwriters in connection with the closing of the Offering, with the exception of the matters relating to termination of purchase obligations, may be taken by Haywood Securities Inc. on behalf of itself and Sprott Securities Inc. and the execution of this agreement by Sprott Securities Inc. and by the Company shall constitute the Company's authority and obligation for accepting notification of any such steps from, and for delivering the definitive documents constituting the Special Warrants to or to the order of, Haywood Securities Inc. Haywood Securities Inc. shall fully consult with Sprott Securities Inc. with respect to all notices, waivers, extensions or other communications to or with the Company.

15. <u>Survival of Warranties, Representations, Covenants and Agreements</u>

15.1 All warranties, representations, covenants and agreements of the Company herein contained or contained in documents submitted or required to be submitted pursuant to this agreement shall survive the purchase by the Purchasers of the Special Warrants and shall continue in full force and effect for the benefit of the Purchasers for a period ending on the Survival Limitation Date. Notwithstanding the foregoing, the provisions contained in this agreement in any way related to the indemnification of the Underwriters by the Company, or the contribution obligations of the Underwriters or those of the Company, shall survive and continue in full force and effect indefinitely.

16. <u>General Contract Provisions</u>

16.1 Any notice or other communication to be given hereunder shall be in writing and shall be given by delivery or by telecopier, as follows:

if to the Company:

Belzberg Technologies Inc.
40 King Street West
Suite 3400
Toronto, Ontario
M5H 3Y2

Attention: Sidney Belzberg, Chairman and Chief Executive Officer
Telecopier Number: (416) 360-2538

with a copy to:

Messrs. Blake, Cassels & Graydon LLP
Barristers & Solicitors
199 Bay Street, Suite 2800
P.O. Box 25
Commerce Court West
Toronto, Ontario
M5L 1A9

Attention:	Robert Bondy
Telecopier Number:	(416) 863-2653

or if to the Underwriters:

Haywood Securities Inc.
BCE Place
181 Bay Street, Suite 800
P.O. Box 800
Toronto, Ontario
M5J 2T3

Attention:	John Willett
Telecopier Number:	(416) 507-2350

Sprott Securities Inc.
Royal Bank Plaza
P.O. Box 63
South Tower
Suite 3450
Toronto, Ontario
M5J 2J2

Attention:	Darren Wallace
Telecopier Number:	(416) 943-6496

with a copy to:

Messrs. Fogler, Rubinoff LLP
Suite 4400, P. O. Box 95
Royal Trust Tower
Toronto-Dominion Centre
Toronto, Ontario
M5K 1G8

Attention: Gary Litwack
Telecopier Number: (416) 941-8852

and if so given, shall be deemed to have been given and received upon receipt by the addressee or a responsible officer of the addressee if delivered, or four hours after being telecopied and receipt confirmed during normal business hours, as the case may be. Any party may, at any time, give notice in writing to the others in the manner provided for above of any change of address or telecopier number.

16.2 This agreement and the other documents herein referred to constitute the entire agreement between the Underwriters and the Company relating to the subject matter hereof and supersede all prior agreements between the Underwriters and the Company with respect to their respective rights and obligations in respect of the Offering, including the offer letter between Haywood Securities Inc. and the Company dated April 1, 2002.

16.3 This agreement may be executed by telecopier and in one or more counterparts which, together, shall constitute an original copy hereof as of the date first above noted.

If this agreement accurately reflects the terms of the transaction which we are to enter into and if such terms are agreed to by the Company, please communicate your acceptance by executing where indicated below and returning by telecopier one copy and returning by courier one originally executed copy to Haywood Securities Inc. (Attention: John Willett).

Yours very truly,

HAYWOOD SECURITIES INC.

Per: ______________________________
Authorized Signing Officer

SPROTT SECURITIES INC.

Per: ______________________________
Authorized Signing Officer

The foregoing accurately reflects the terms of the transaction which we are to enter into and such terms are agreed to.

DATED as of the date first above written.

BELZBERG TECHNOLOGIES INC.

Per: __________________________
Authorized Signing Officer

SCHEDULE "A"

DETAILS OF THE OFFERING

This is Schedule "A" to the Underwriting Agreement between Belzberg Technologies Inc., Haywood Securities Inc. and Sprott Securities Inc. made as of April 1 *, 2002.*

Issue:	2,730,000 Special Warrants to be issued by way of private placement exemptions from prospectus requirements, subject to the receipt of any applicable regulatory approvals. The Special Warrants will be issued at a price of $5.25 per Special Warrant.
Underlying Securities:	Each Special Warrant will enable the holder thereof, upon exercise, to acquire, without additional payment, one Share and 1/4 of one Share Purchase Warrant, at any time on or before the date (the "**Expiry Date**") which is the earlier of: (i) the fifth Business Day following the date (the "**Qualification Date**") upon which the Prospectus Receipt has been issued; and (ii) four months following the Closing Date (as defined below). Any Special Warrants not exercised prior to 5:00 p.m. (Toronto time) on the Expiry Date will be deemed to have been exercised immediately prior to such time without any further action on the part of the holder.
Share Purchase Warrants:	Each whole Share Purchase Warrant will entitle the holder to purchase one Share at a price of $5.50 for a period of eighteen (18) months following the Closing Date.
Underwriting Fee:	The Underwriters will be entitled to a fee, to be paid at the Time of Closing, equal to 6.0% of the gross proceeds from the sale of the Special Warrants.
Compensation Options:	As additional compensation, the Underwriters will be issued on the Closing Date the Compensation Options which will be qualified under the Final Prospectus, subject to regulatory approvals, entitling the Underwriters to subscribe for 6.5% of the number of units of Underlying Securities to be issued by the Company on exercise of the Special Warrants with an exercise price set at the same price as the Offering. Such options shall have a term of eighteen (18) months from the Closing Date. If such Compensation Options are unavailable for any reason it is agreed that the Company shall pay the Underwriters other compensation of comparable value to the Compensation Options. Such other compensation shall be agreed to between the Company and the Underwriters, acting reasonably.
Prospectus Qualification:	If the Qualification Date does not occur on or before the 90th day following the Closing Date (the "**Qualification Deadline**"), each Special Warrant outstanding as of the Qualification Deadline will

	become subject to a conversion rate increase under which the Underlying Securities issuable on exercise of the Special Warrants will be increased by 10%.
Escrow of Special Warrant Proceeds/ Proposed Acquisitions:	50% of the net proceeds of the Offering will be released to the Company on closing. The balance of the net proceeds will be held by a licensed Canadian trust company mutually acceptable to the Company and the Underwriters (the "**Custodian**"). Such net proceeds, together with all interest earned thereon in the hands of the Custodian, will be paid to the Company on the earlier of (i) the Qualification Date and (ii) four months following the Closing Date.
Closing Date:	The Closing Date will be April 16, 2002, or such other date as may be agreed to between the Company and the Underwriters.
Time of Closing:	The Time of Closing will be 10:00 a.m. (Toronto time) on the Closing Date, subject to agreement otherwise by the Company and the Underwriters.
Use of Proceeds:	The net proceeds of the Offering will be used to fund sales and marketing and for general corporate purposes.

SCHEDULE "B"

DETAILS AS TO MATERIAL SUBSIDIARIES

This is Schedule "B" to the Underwriting Agreement between Belzberg Technologies Inc., Haywood Securities Inc. and Sprott Securities Inc. made as of April 1, 2002.

Name of Subsidiary	**Jurisdiction of Subsistence**	**Classes of Securities Held**	**Percentage of Class**
Belzberg Financial Markets & News Inc.	Ontario, Canada	Common Shares Series 1 Preference Shares	100% 100%
Belzberg Technologies (U.S.A.) Inc.	New Jersey, U.S.A.	Common Shares Preference Shares	100%
Electronic Brokerage Systems LLC	Delaware, U.S.A.	Common Shares Preference Shares	100%
Robert C. Sheehan & Associates LLC	Illinois, U.S.A.	Common Shares	100%
Belzberg Technologies (Philadelphia) LLC	Delaware, U.S.A.	Common Shares	100%
Belzberg Technologies (U.K.) Limited	United Kingdom	Common Shares	100%

SCHEDULE "C"

DETAILS AS TO OUTSTANDING CONVERTIBLE SECURITIES

This is Schedule "C" to the Underwriting Agreement between Belzberg Technologies Inc., Haywood Securities Inc. and Sprott Securities Inc., made as of April 1, 2002.

OUTSTANDING WARRANTS

Newstar Securities Inc.	400,000
Benvie Holdings Ltd.	325,000
Golden Art Enterprises Inc.	375,000
Gryphom Bond Fund Limited	600,000
Roytor & Co.	50,000
	1,750,000

OUTSTANDING OPTIONS

Options in respect of 4,433,800 Common Shares have been granted and are outstanding under the Company's stock option plan.

SCHEDULE "D"

OPINION OF THE COMPANY'S COUNSEL

This is Schedule "D" to the Underwriting Agreement between Belzberg Technologies Inc., Haywood Securities Inc. and Sprott Securities Inc. made as of April 1, 2002.

The opinion of the Company's counsel shall, in addition to such other matters as the Underwriters may reasonably request, state that:

(a) the Company has been duly organized and is validly existing under its jurisdiction of subsistence and has the corporate capacity and power to own its property and to carry on its business as presently carried on;

(b) the Company has the corporate capacity and power to execute and deliver this agreement and any additional agreements relating to the issuance of the Special Warrants, the Compensation Options, the Underlying Securities, the Underlying Compensation Securities and the Warrant Shares and to perform its obligations hereunder and thereunder;

(c) this agreement, the Subscription Agreements, the Special Warrant Certificates and the Compensation Option Agreements have been duly authorized, executed and delivered by the Company and are legal, valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except that the enforcement thereof may be subject to:

  (i) bankruptcy, insolvency and other similar laws affecting the rights of creditors generally;

  (ii) the qualification that equitable remedies, including, specific performance and injunction, may be granted only in the discretion of a court of competent jurisdiction; and

  (iii) rights of indemnity, contribution and waiver of contribution being limited under applicable law;

(d) the Special Warrants and Compensation Options have been validly created and issued and have the attributes contemplated by this agreement;

(e) the Underlying Securities, the Underlying Compensation Securities and Warrant Shares have been conditionally reserved for issuance and will, upon due exercise of the Special Warrants, Compensation Options and Share Purchase Warrants, as the case may be, be duly issued (in the case of Shares, issued as fully paid and non-assessable shares);

(f) the Exchange has accepted notice of the Special Warrants, the Compensation Options, the Underlying Securities, the Underlying Compensation Securities and the Warrant Shares and has conditionally approved the listing of the Warrant Shares and the Shares comprised in the Underlying Securities and Underlying Compensation Securities;

(g) the entering into by the Company of this agreement, the Special Warrant Certificates and other agreements pursuant to which the Special Warrants, the Underlying Securities and the Warrant Shares are to be issued and the performance of its obligations contemplated hereby and thereby do not result in the violation of any of the terms or provisions of the constating documents, by-laws or resolutions of the Company;

(h) the offering, sale and delivery by the Company to (i) the Purchasers of the Special Warrants and (ii) the Underwriters of the Compensation Options are exempt from the prospectus and registration requirements of the Applicable Securities Laws and no documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under the Applicable Securities Laws to permit such offering, sale and delivery, other than the filing by or on behalf of the Company of any private placement reports prepared, executed and filed in accordance with the Applicable Securities Laws and any fees to be paid or undertakings to be filed under such laws;

(i) the issuance and delivery from time to time by the Company to the registered holders of the Special Warrants of the Underlying Securities and to the Underwriters of the Underlying Compensation Securities prior to the issuance of receipts by the Securities Commission for the Final Prospectus, and the issuance of Warrant Shares in such circumstances, are exempt from the prospectus and registration requirements of the Applicable Securities Laws (subject to the usual qualifications);

(j) the first trade of the Special Warrants, Compensation Options, Underlying Securities, Underlying Compensation Securities and Warrant Shares is exempt from the prospectus requirements of the Applicable Securities Laws, subject to the conditions and requirements applicable under the Applicable Securities Laws (which shall be detailed);

(k) upon the due filing of the Final Prospectus and the issuance of the Prospectus Receipt, the Underlying Securities, the Underlying Compensation Securities and the Warrants Shares, when issued, will not be subject to any statutory hold period.