UNDERWRITING AGREEMENT

January 22, 2014

BSM Technologies Inc.
75 International Blvd
Suite 100
Toronto, ON
M9W 6L9

Attention: Aly Rahemtulla, President and Chief Executive Officer
Louis De Jong, Chief Financial Officer

Dear Sirs:

Based upon and subject to the terms and conditions set out in this agreement (the "**Underwriting Agreement**"), Clarus Securities Inc. ("**Clarus**"), Paradigm Capital Inc. (together with Clarus, the "**Co-Lead Underwriters**"), Canaccord Genuity Corp., Cormark Securities Inc. and TD Securities Inc. (together with the Co-Lead Underwriters, the "**Underwriters**") hereby agree to purchase from BSM Technologies Inc. (the "**Company**"), and the Company hereby agrees to sell to the Underwriters, 7,333,334 common shares (the "**Common Shares**") of the Company (the "**Purchased Shares**"), at a price of $3.00 per Purchased Share, for aggregate gross proceeds to the Company of $22,000,002.

In addition, the Company hereby grants to the Underwriters an option (the "**Over-Allotment Option**") to purchase additional Common Shares (the "**Additional Shares**") for the purpose of covering the Underwriters' over-allocation position, if any, in connection with the Offering and for market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriters to acquire up to 1,100,000 Additional Shares at a price of $3.00 per Additional Share. The Over-Allotment Option is exercisable in whole or in part, at the sole discretion of the Underwriters, for a period from and including the Closing Date, and ending 30 days following the Closing Date, as more particularly described in Section 11. If the Over-Allotment Option is exercised in full by the Underwriters, the aggregate gross proceeds of the Offering will be $25,300,002.

The Purchased Shares and the Additional Shares are collectively referred to herein as the "**Offered Shares**" and the offer and sale of the Purchased Shares, and the offer and sale of the Additional Shares, if any, is collectively referred to as the "**Offering**".

The Offered Shares may be distributed in the provinces of British Columbia, Alberta, Manitoba and Ontario (the "**Qualifying Jurisdictions**") by the Underwriters pursuant to the Final Prospectus (as hereinafter defined). The Offered Shares may also be offered and sold only to Qualified Institutional Buyers (as defined in Schedule "A" of this Underwriting Agreement) in the United States in accordance with the provisions of Schedule "A" of this Underwriting Agreement and pursuant to the U.S. Placement Memorandum. With respect to Offered Shares to be sold in the United States to Qualified Institutional Buyers in compliance with Rule 144A under the U.S. Securities Act (as hereinafter defined), the Underwriters and/or their U.S. Affiliates (as hereinafter defined) shall purchase such Offered Shares from the Company for resale in compliance with Rule 144A and in accordance with Schedule "A" of this Underwriting Agreement. Any reference in this Underwriting Agreement to "the purchasers" shall be taken to be a reference to the Underwriters, as the initial committed purchasers, and to substituted purchasers arranged by the Underwriters (by or through their U.S. Affiliates, as applicable) (the "**Substituted Purchasers**"), if any. Subject to applicable law, including Applicable Securities Laws (as hereinafter defined), and the terms of this Underwriting Agreement, the Offered Shares may also be distributed outside Canada and the United States where they may be lawfully sold on a basis exempt from the prospectus, registration and similar requirements of any such jurisdictions.

In consideration of the Underwriters' services to be rendered in connection with the Offering, the Company shall pay to the Underwriters a cash fee (the "**Underwriting Fee**") equal to 5.0% of the gross proceeds of the Offering (including any proceeds from the sale of any Additional Shares issued and sold pursuant to the exercise of the Over-Allotment Option).

The Underwriters shall have the right to invite one or more investment dealers (each, a "**Selling Firm**") to form a selling group to participate in the soliciting of offers to purchase the Offered Shares, which selling group shall include PowerOne Capital Markets Limited, and the Underwriters have the exclusive right to control all compensation arrangements between the members of the selling group, but at no additional cost to the Company. The Underwriters shall comply, and ensure that any Selling Firm shall agree with the Underwriters to comply, with all applicable laws and with the covenants and obligations given by the Underwriters herein.

Based on the foregoing and upon and subject to the terms and conditions of this Underwriting Agreement, the Underwriters hereby severally, and not jointly, or jointly and severally, in their respective percentages set out in Section 18, offer to purchase the Purchased Shares, and by its acceptance of the offer constituted by this Underwriting Agreement, the Company agrees to issue and sell to the Underwriters, on the Closing Date, the Purchased Shares.

The Underwriters and the Company acknowledge that Schedule "A" forms a part of this Underwriting Agreement.

The following are the terms and conditions of the agreement between the Company and the Underwriters:

TERMS AND CONDITIONS

Section 1 Definitions and Interpretation

(1) In this Underwriting Agreement:

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

"**Alternative Transaction**" has the meaning ascribed thereto in paragraph 8(1)(g);

"**Applicable Securities Laws**" means Canadian Securities Laws and U.S. Securities Laws;

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

"**Canadian Securities Laws**" means, collectively, all applicable securities laws of each of the Qualifying Jurisdictions and the respective rules and regulations under such securities laws together with applicable published instruments, notices and orders of the securities regulatory authorities in the Qualifying Jurisdictions;

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**Closing**" means the completion of the issue and sale of the Purchased Shares and, if applicable, any Additional Shares issued and sold pursuant to the exercise of the Over-Allotment Option;

"**Closing Date**" means February 6, 2014 or any earlier or later date as may be agreed to by the Company and the Underwriters, each acting reasonably, but in any event not later than the date that is 42 days after the date that a receipt is issued for the Final Prospectus;

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

"**Company's Auditors**" means such firm of chartered accountants as the Company may have appointed or may from time to time appoint as auditors of the Company, including prior auditors of the Company and its predecessors, as applicable;

"**Company's Information Record**" means all information contained in any press release, material change report (excluding any confidential material change report), financial statements, or other document of the Company which has been publicly filed by or on behalf of the Company pursuant to Applicable Securities Laws or otherwise, and all documents and information which has been provided to the Underwriters and their counsel by or on behalf of the Company;

"**distribution**" means distribution or distribution to the public, as the case may be, for the purposes of the Canadian Securities Laws;

"**Debt Instrument**" means any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability;

"**Documents Incorporated by Reference**" means all financial statements, management information circulars, annual information forms, material change reports, business acquisition reports, Marketing Materials or other documents issued by the Company, whether before or after the date of this Underwriting Agreement, that are incorporated by reference, or deemed to be incorporated by reference, into the Preliminary Prospectus, the Final Prospectus or any Supplementary Material;

"**Employee Plans**" has the meaning ascribed thereto in paragraph 7(1)(ff);

"**Environmental Laws**" has the meaning ascribed thereto in paragraph 7(1)(bb);

"**Final Prospectus**" means the (final) short form prospectus, including all of the Documents Incorporated by Reference, prepared by the Company and qualifying the distribution of the Offered Shares and for which a receipt or deemed receipt has been issued by the Ontario Securities Commission (as principal regulator) and each of the other Securities Commissions pursuant to the Passport System;

"**Governmental Authority**" means and includes, without limitation, any national, federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing, and any governmental department, commission, board, bureau, agency or instrumentality, including the Securities Commissions and the SEC;

"**Governmental Licenses**" has the meaning ascribed thereto in paragraph 7(1)(aa);

“**including**” means including without limitation;

“**Indemnified Party**” has the meaning given to that term in subsection 15(1);

“**Leased Premises**” means the premises which are material to the Company and/or any of the Subsidiaries and which the Company and/or any of the Subsidiaries occupies as tenant;

“**Liens**” means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or the right to use or occupy such property or assets;

“**Marketing Materials**” means, collectively, the template versions of any “marketing materials” (as defined in NI 41-101) used in respect of the Offering;

“**Material Agreement**” means any note, indenture, mortgage or other form of indebtedness and any contract, commitment, agreement (written or oral), joint venture instrument, lease or other document to which the Company or a Subsidiary is a party and which is material to the Company and the Subsidiaries on a consolidated basis;

“**Material Adverse Effect**” means the effect resulting from any event, change, violation, inaccuracy, circumstance or effect that is materially adverse to the business, assets (including intangible assets), capitalization, financial condition, prospects or results of operations of the Company and the Subsidiaries on a consolidated basis;

“Material Subsidiary” means BSM Wireless Inc.;

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*;

“**NI 44-101**” means National Instrument 44-101 – *Short Form Prospectus Distributions*;

“**NP 11-202**” means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions;*

“**Offering Documents**” means, collectively, the Preliminary Prospectus, the Final Prospectus, any Prospectus Amendment, any Supplementary Material, the U.S. Placement Memorandum, and any U.S. Supplementary Material;

“**Over-Allotment Closing Date**” means the third Business Day after the Over-Allotment Notice is delivered to the Company, or any earlier or later date as may be agreed to in writing by the Company and the Underwriters, each acting reasonably, but in no event later than 30 days from the Closing Date;

“**Over-Allotment Notice**” has the meaning ascribed thereto in subsection 11(1);

“**Passport System**” means the system and procedures for prospectus filing and review under Multilateral Instrument 11-102 – *Passport System* adopted by the Securities Commissions (other than the Ontario Securities Commission) and NP 11-202;

"**person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority or other legal entity;

"**Preliminary Prospectus**" means the preliminary short form prospectus of the Company dated January 22, 2014, including all Documents Incorporated by Reference, relating to the distribution of the Offered Shares for which a receipt or deemed receipt has been issued by the Ontario Securities Commission (as principal regulator) and each of the other Securities Commissions pursuant to the Passport System;

"**Prospectus Amendment**" means any amendment to the Preliminary Prospectus or the Final Prospectus prepared and filed by the Company under Canadian Securities Laws in connection with the Offering;

"**Purchasers**" means, collectively, each of the purchasers of Offered Shares arranged for by the Underwriters pursuant to the Offering, including, if applicable, the Underwriters;

"**Regulation S**" means Regulation S adopted by the SEC under the U.S. Securities Act;

"**Rule 144A**" means Rule 144A adopted by the SEC under the U.S. Securities Act;

"**SEC**" means the United States Securities and Exchange Commission;

"**Securities Commissions**" means the applicable securities commission or regulatory authority in each of the Qualifying Jurisdictions;

"**Standard Listing Conditions**" has the meaning given to that term in paragraph 3(4)(d);

"**Subsidiaries**" means the Material Subsidiary and SecTrack NV and "**Subsidiary**" means any one of them;

"**subsidiary**" means a subsidiary for purposes of the *Securities Act* (Ontario);

"**Supplementary Material**" means, collectively, any Prospectus Amendment, any amendment to any of the other Offering Documents or any amendment or supplemental prospectus, Marketing Materials or ancillary materials that may be filed by or on behalf of the Company under Applicable Securities Laws relating to the distribution of the Offered Shares;

"**Taxes**" has the meaning ascribed thereto in paragraph 7(1)(p);

"**Time of Closing**" means 8:00 a.m. (Toronto time) on the Closing Date or the Over-Allotment Closing Date, as applicable, or any other time on the Closing Date or the Over-Allotment Closing Date, as applicable, as may be agreed to by Company and the Underwriters;

"**Transfer Agent**" means Computershare Investor Services Inc.;

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

"**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**U.S. Affiliates**" means the applicable United States registered broker-dealer affiliates of the Underwriters;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

"**U.S. Placement Memorandum**" means the confidential U.S. private placement memorandum, in a form satisfactory to the Underwriters and the Company, acting reasonably, the preliminary version of which will be attached to a copy of the Preliminary Prospectus and the final version of which will be attached to the Final Prospectus, to be delivered to each offeree and purchaser of the Offered Shares in the United States in accordance with Schedule "A" hereto;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

"**U.S. Securities Laws**" means all applicable securities legislation in the United States, including the U.S. Securities Act, the U.S. Exchange Act and the rules and regulations promulgated thereunder, and any applicable state securities laws; and

"**U.S. Supplementary Material**" means any Supplementary Material required, in the opinion of the Underwriters, to be delivered to Purchasers or prospective purchasers in the United States with any supplemental, or supplement to the, U.S. Placement Memorandum as may be so required.

(2) **Headings, etc.** The division of this Underwriting 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 Underwriting 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 Underwriting Agreement.

(3) **Currency.** Except as otherwise indicated, 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.

(4) **Capitalized Terms.** Capitalized terms used but not defined herein have the meanings ascribed to them in the Preliminary Prospectus.

(5) **Schedules.** The following Schedule is attached to this Underwriting Agreement and is deemed to be part of and incorporated in this Underwriting Agreement:

Schedule	**Title**
"A"	United States Offers and Sales

Section 2 Filing of the Preliminary Prospectus and Final Prospectus

(1) As soon as possible after the execution of this Underwriting Agreement, and not later than the date hereof, the Company shall have prepared and will file under the Canadian Securities Laws the Preliminary Prospectus and other related documents relating to the proposed distribution of the Offered Shares in the Qualifying Jurisdictions, and the Company shall obtain a receipt or

deemed receipt therefor from the Ontario Securities Commission (as principal regulator) and each of the other Securities Commissions pursuant to the Passport System dated as of January 23, 2014.

(2) The Company shall use its best efforts to satisfy all comments with respect to the Preliminary Prospectus as soon as possible after receipt of such comments. The Company shall make all best efforts, so that on January 30, 2014 or such earlier or later date as may be agreed to by the Company and the Underwriters, each acting reasonably, it will have prepared and will file under the Canadian Securities Laws the Final Prospectus and other related documents relating to the proposed distribution in the Qualifying Jurisdictions of the Offered Shares, and the Company shall have obtained a receipt or deemed receipt therefor from the Ontario Securities Commission (as principal regulator) and each of the other Securities Commissions pursuant to the Passport System by 5:00 p.m. (Toronto time) on such date.

(3) Until the earlier of the date on which: (i) the distribution of the Offered Shares is completed; or (ii) the Underwriters have exercised their termination rights pursuant to Section 13, the Company will promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under Canadian Securities Laws to continue to qualify the distribution of the Offered Shares or, in the event that the Offered Shares have, for any reason, ceased so to qualify, to so qualify again the Offered Shares, as applicable, for distribution in the Qualifying Jurisdictions.

Section 3 Delivery of Preliminary Prospectus, Final Prospectus and Related Matters

(1) The Company shall deliver without charge to the Underwriters, at those delivery points in the Qualifying Jurisdictions as the Underwriters may reasonably request, as soon as practicable and in any event in the City of Toronto no later than 2:00 p.m. (Toronto time) on the first Business Day after, and to other cities no later than the second Business Day after, a receipt is obtained for the Preliminary Prospectus and Final Prospectus, as applicable, in each of the Qualifying Jurisdictions under the Passport System, and thereafter from time to time during the distribution of the Offered Shares, in such cities in the Qualifying Jurisdictions as the Underwriters shall notify the Company, as many commercial copies of the Preliminary Prospectus and the Final Prospectus (and in the event of any Prospectus Amendment, such Prospectus Amendment) as the Underwriters may reasonably request for the purposes contemplated under Canadian Securities Laws. The Company will similarly cause to be delivered to the Underwriters, in such cities in the Qualifying Jurisdictions as the Underwriters may reasonably request, commercial copies of any Supplementary Material required to be delivered to purchasers or prospective purchasers of the Offered Shares. Each delivery of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material will have constituted and constitute the Company's consent to the use of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material by the Underwriters for the distribution of the Offered Shares in the Qualifying Jurisdictions in compliance with the provisions of this Underwriting Agreement and Canadian Securities Laws.

(2) The Company shall deliver without charge to the Underwriters or the U.S. Affiliates, as applicable, at those delivery points as the Underwriters or the U.S. Affiliates, as applicable, may reasonably request, as soon as practicable and in any event in the City of Toronto no later than 2:00 p.m. (Toronto time) on the first Business Day after, and to other cities no later than the second Business Day after, a receipt is obtained for the Preliminary Prospectus and the Final Prospectus, as applicable, in each of the Qualifying Jurisdictions under the Passport System, and thereafter from time to time during the distribution of the Offered Shares, in such cities as the Underwriters shall notify the Company, as many commercial copies of the U.S. Placement

Memorandum (and in the event of any Prospectus Amendment, such amended U.S. Placement Memorandum) as the Underwriters may reasonably request for the purposes contemplated under U.S. Securities Laws and Schedule "A" of this Underwriting Agreement. The Company will similarly cause to be delivered to the Underwriters or the U.S. Affiliates, as applicable, in such cities as the Underwriters may reasonably request, commercial copies of any U.S. Supplementary Material required to be delivered to purchasers or prospective purchasers of the Offered Shares. Each delivery of U.S. Placement Memorandum and any U.S. Supplementary Material permitted pursuant to the terms and conditions of this Underwriting Agreement will have constituted and constitute the Company's consent to the use of the U.S. Placement Memorandum and any U.S. Supplementary Material by the Underwriters for the distribution of the Offered Shares in the United States pursuant to and in compliance with the Underwriting Agreement, including Schedule "A" hereto, and U.S. Securities Laws.

(3) Each delivery of the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum, any Supplementary Material and any U.S. Supplementary Material, as applicable, to the Underwriters by the Company in accordance with this Underwriting Agreement will constitute the representation and warranty of the Company to the Underwriters that (except for information and statements relating solely to the Underwriters and furnished by them specifically for use in the Preliminary Prospectus, Final Prospectus, U.S. Placement Memorandum, Supplementary Material or U.S. Supplementary Material, as applicable), at the respective date of such document:

(a) the information and statements contained in each of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material (including, for greater certainty, the Documents Incorporated by Reference therein): (i) are true and correct and contain no misrepresentation; and (ii) constitute full, true and plain disclosure of all material facts relating to the Offered Shares and the Company;

(b) no material fact has been omitted from any of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material, that is required to be stated in the document or is necessary to make the statements therein not misleading in light of the circumstances in which they were made;

(c) each of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material complies in all material respects with Canadian Securities Laws; and

(d) each of the U.S. Placement Memorandum and any U.S. Supplementary Material complies in all material respects with U.S. Securities Laws.

(4) The Company will also deliver to the Underwriters, without charge, contemporaneously with, or prior to the filing of the Preliminary Prospectus and the Final Prospectus, unless otherwise indicated:

(a) a copy of the Preliminary Prospectus and the Final Prospectus manually signed on behalf of the Company, by the persons and in the form required by Canadian Securities Laws;

(b) a copy of any other document filed with, or delivered to, the Securities Commissions by the Company under Canadian Securities Laws in connection with the Offering, including any Supplementary Material and any document incorporated by reference in the Preliminary Prospectus or Final Prospectus not previously filed on SEDAR;

(c) a copy of the U.S. Placement Memorandum and any U.S. Supplementary Material, as applicable;

(d) in the case of the Final Prospectus, evidence satisfactory to the Underwriters of the approval (or conditional approval) of the listing and posting for trading on the TSXV of the Offered Shares, subject only to the satisfaction by the Company of customary post-closing conditions imposed by the TSXV in similar circumstances (the "**Standard Listing Conditions**"); and

(e) in the case of the Final Prospectus, "long-form" comfort letters dated the date of the Final Prospectus, in forms and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters, from the Company's Auditors, and based on a review completed not more than two Business Days prior to the date of the letter, with respect to financial and accounting information relating to the Company included and incorporated by reference in the Final Prospectus, which letter shall be in addition to the auditors' reports contained in the Final Prospectus and any auditors' comfort letter addressed to the Securities Commissions and filed with or delivered to the Securities Commissions under Canadian Securities Laws.

(5) Opinions, comfort letters and other documents substantially similar to those referred to in this Section 3 will be delivered to the Underwriters and the Company, and their respective counsel, as applicable, with respect to any Supplementary Material, contemporaneously with, or prior to the filing of, such Supplementary Material.

Section 4 Material Changes During the Distribution of the Offered Shares

(1) The Company will promptly inform the Underwriters during the period prior to the completion of the distribution of the Offered Shares of the full particulars of:

(a) any material change (whether actual, anticipated, threatened, contemplated, or proposed by, to, or against) (whether financial or otherwise) in the assets, liabilities (contingent or otherwise), business, affairs, operations, assets, financial condition, capital or prospects of the Company and the Subsidiaries on a consolidated basis;

(b) any material fact that has arisen or has been discovered and would have been required to have been stated in any of the Offering Documents had that fact arisen or been discovered on, or prior to, the date of the Offering Documents, as the case may be; or

(c) any change in any material fact or any misstatement of any material fact contained in any of the Offering Documents, or the existence of any new material fact,

which change or new material fact is, or could reasonably be expected to be, of such a nature as:

(a) to result in any Offering Document, as it exists and considered in its entirety immediately prior to such change or new material fact, containing a misrepresentation;

(b) to result in any Offering Document, as it exists and considered in its entirety immediately prior to such change or new material fact, not complying with any Applicable Securities Laws;

(c) to have a material effect on the market price or value of any of the Offered Shares or constitute a Material Adverse Effect; or

(d) would be material to a prospective purchaser of the Offered Shares.

(2) The Company shall comply with Section 57 of the *Securities Act* (Ontario) and with the comparable provisions of other Canadian Securities Laws, and the Company will prepare and will file promptly any Supplementary Material which, in the opinion of the Company, may be necessary, and will, until the distribution of the Offered Shares is complete, otherwise comply with all applicable filing and other requirements under Canadian Securities Laws arising as a result of such fact or change necessary to continue to qualify the Offered Shares for distribution in each of the Qualifying Jurisdictions.

(3) The Company and the Underwriters acknowledge that the Company is required by Canadian Securities Laws to prepare and file a Prospectus Amendment if at any time prior to the completion of the distribution of the Offered Shares the Final Prospectus contains a misrepresentation. The Company will promptly prepare and file with the Securities Commissions any amendment or supplement thereto which in the opinion of the Company, acting reasonably, may be necessary or advisable to correct such misrepresentation.

(4) In addition, if, during the period from the date hereof to the later of the Closing Date and the date of the completion of the distribution of the Offered Shares, it shall be necessary to file a Prospectus Amendment to comply with any Canadian Securities Laws, the Company shall, in co-operation with the Underwriters and their counsel, make any such filing as soon as reasonably possible.

(5) In addition to the provisions of Subsections 4(1) and 4(2), the Company will, in good faith, discuss with the Underwriters any change, event, development or fact, contemplated, anticipated, threatened, or proposed in Subsections 4(1) and 4(2) that is of such a nature that there may be reasonable doubt as to whether notice should be given to the Underwriters under Section 4 and will consult with the Underwriters with respect to the form and content of any Supplementary Material proposed to be filed by the Company, it being understood and agreed that no such Supplementary Material will be filed with any Securities Commission until the Underwriters and their legal counsel have been given a reasonable opportunity to review and approve such material, acting reasonably.

Section 5 Due Diligence

Prior to the filing of the Preliminary Prospectus and the Final Prospectus and, if applicable, prior to the filing of any Supplementary Material, the Underwriters and their legal counsel will be provided with timely access to all information required to permit them to conduct a full due diligence investigation of the Company and its business operations, , assets, affairs and financial condition. In particular, the Underwriters shall be permitted to conduct all due diligence that they may require in order to fulfil their obligations under Applicable Securities Laws to responsibly sign a certificate for a Final Prospectus and, in that regard, the Company will make available to the Underwriters and their legal counsel, on a timely basis, all available corporate and operating records, material contracts, financial information, budgets, key officers, and other relevant information necessary (in the reasonable opinion of the Underwriters) in order to complete the due diligence investigation of the Company and its business, assets, affairs and financial condition for this purpose, and without limiting the scope of the due diligence inquiries the Underwriters may conduct, to participate in one or more due diligence sessions to be held prior to the Time of Closing. It shall be a condition precedent to the Underwriters' execution of any certificate in any Offering

Document that the Underwriters be satisfied, acting reasonably, as to the form and content of the document. The Underwriters shall not unreasonably withhold or delay the execution of any such Offering Document required to be executed by the Underwriters and filed in compliance with Applicable Securities Laws for the purpose of the Offering.

Section 6 Conditions of Closing

The Underwriters' obligations under this Underwriting Agreement (including the obligation to complete the purchase of the Purchased Shares or Additional Shares, if applicable) are conditional upon and subject to:

(1) **Legal Opinions.** The Underwriters receiving at the Time of Closing, favourable legal opinions, addressed to the Underwriters from Cassels Brock & Blackwell LLP, counsel to the Company, or local counsel with respect to those matters governed by the laws of jurisdictions other than the jurisdictions in which it is qualified to practise, which counsel may rely as to matters of fact, on certificates of the officers of the Company and other documentation standard for legal opinions in transactions of a similar nature, in their respective form of opinions, in form and substance acceptable to the Underwriters, acting reasonably, with respect to the following matters:

(a) the Company being a "reporting issuer", or its equivalent, in each of the Qualifying Jurisdictions and not in default under Canadian Securities Laws in the Qualifying Jurisdictions;

(b) the Company being a corporation existing under the laws of the Province of Ontario and having all requisite corporate power to carry on its business as now conducted and to own, lease and operate its properties and assets;

(c) the authorized capital of the Company;

(d) the Material Subsidiary being a corporation existing under the laws of the Province of Ontario and having all requisite corporate power to carry on its business as now conducted and to own, lease and operate its properties and assets;

(e) as to the issued and outstanding shares of the Material Subsidiary being registered in the name of the Company;

(f) the Company having all necessary corporate power and capacity to execute and deliver this Underwriting Agreement and to perform its obligations hereunder, including to create, issue and sell the Purchased Shares and the Additional Shares issuable upon exercise of the Over-Allotment Option;

(g) all necessary corporate action having been taken by the Company to authorize the execution and delivery of each of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material and the filing thereof with the Securities Commissions;

(h) the Purchased Shares having been duly and validly authorized and that, at the Time of Closing and upon payment of the purchase price therefor, the Purchased Shares will be duly and validly issued as fully paid and non-assessable Common Shares;

(i) the Additional Shares issuable upon exercise of the Over-Allotment Option having been reserved for issuance by the Company and that, upon exercise of the Over-Allotment

Option in accordance with this Underwriting Agreement and upon payment of the purchase price therefor, such Additional Shares will be duly and validly issued as fully paid and non-assessable Common Shares;

(j) all necessary corporate action having been taken by the Company to authorize the execution and delivery of this Underwriting Agreement and the performance of its obligations hereunder, including the issuance and sale of the Purchased Shares and the Additional Shares issuable upon exercise of the Over-Allotment Option, and this Underwriting Agreement having been executed and delivered by the Company and constituting a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to standard qualifications, including that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, that the provisions thereof relating to indemnity, contribution and waiver of contribution may be unenforceable and that enforceability is subject to the provisions of the *Limitations Act*, 2002 (Ontario);

(k) the execution and delivery of this Underwriting Agreement, the fulfilment of the terms hereof by the Company, including the issuance and sale of the Purchased Shares and the Additional Shares issuable upon exercise of the Over-Allotment Option, do not and will not (as the case may be) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, whether after notice or lapse of time or both: (i) the provisions of the *Business Corporations Act* (Ontario) and the securities laws of Ontario to which the Company is subject; or (ii) the constating documents and by-laws of the Company;

(l) all necessary documents having been filed, all requisite proceedings have been taken and all approvals, permits, authorizations and consents of the appropriate regulatory authority in each of the Qualifying Jurisdictions having been obtained by the Company to qualify the distribution of the Offered Shares, through persons who are registered under applicable Canadian Securities Laws and who have complied with the relevant provisions of applicable Canadian Securities Laws;

(m) the Purchased Shares and the Additional Shares issuable upon exercise of the Over-Allotment Option having been conditionally approved for listing on the TSXV;

(n) the form and terms of the definitive certificates representing the Common Shares having been approved by the board of directors of the Company and complying in all material respects with applicable corporate law requirements and the rules and by-laws of the TSXV;

(o) the Transfer Agent having been duly appointed as the transfer agent and registrar for the Common Shares; and

(p) the statements set forth in the Final Prospectus under the caption "Eligibility for Investment" being true and correct.

(2) **United States Legal Opinion.** If any Offered Shares are sold to Qualified Institutional Buyers in the United States, the Underwriters receiving at the Time of Closing a favourable legal opinion addressed to the Underwriters, in form and substance satisfactory to the Underwriters, acting reasonably, dated as of the Closing Date, from United States counsel to the Company, to the effect that registration of such Offered Shares will not be required under the U.S. Securities Act

in connection with the offer and initial sale of such Offered Shares in the United States pursuant to the Underwriting Agreement, including Schedule "A" hereto;

(3) **Corporate Certificate.** The Underwriters shall have received at the Time of Closing a certificate, dated as of the Closing Date, signed by the President and Chief Executive Officer of the Company, or such other officer(s) of the Company as the Underwriters may agree, certifying for and on behalf of the Company, to the best of the knowledge, information and belief of the person(s) so signing, with respect to: (a) the articles and by-laws of the Company; (b) the resolutions of the Company's board of directors relevant to the issue and sale of the Offered Shares by the Company and the authorization of this Underwriting Agreement and the other agreements and transactions contemplated herein; and (c) the incumbency and signatures of the signing officer(s) of the Company;

(4) **Closing Certificate.** The Company shall have delivered to the Underwriters, at the Time of Closing, a certificate dated the Closing Date addressed to the Underwriters and signed by the President and Chief Executive Officer and Chief Financial Officer of the Company, or such other officers as the Underwriters may agree, certifying for and on behalf of the Company, and not in their personal capacities, after having made due inquiries, with respect to the following matters:

(a) the Company having complied with all the covenants and satisfied all the terms and conditions of this Underwriting Agreement on its part to be complied with and satisfied at or prior to the Time of Closing;

(b) no order, ruling or determination having the effect of ceasing the trading or suspending the sale of the Offered Shares or any other securities of the Company has been issued by any regulatory authority and is continuing in effect and no proceedings for such purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under any Applicable Securities Laws or by any regulatory authority;

(c) subsequent to the respective dates as at which information is given in the Final Prospectus, there having not occurred a Material Adverse Effect, or any change or development involving a prospective Material Adverse Effect, other than as disclosed in the Final Prospectus or any Supplementary Material, as the case may be;

(d) no material change relating to the Company and the Subsidiaries on a consolidated basis having occurred since the date hereof, with respect to which the requisite material change report has not been filed and no such disclosure having been made on a confidential basis that remains confidential;

(e) there has been no change in any material fact (which includes the disclosure of any previously undisclosed material fact) contained in the Final Prospectus which fact or change is, or may be, of such a nature as to render any statement in the Final Prospectus misleading or untrue in any material respect or which would result in a misrepresentation in the Final Prospectus or which would result in the Final Prospectus not complying with Canadian Securities Laws; and

(f) the representations and warranties of the Company contained in this Underwriting Agreement and in any certificates of the Company delivered pursuant to or in connection with this Underwriting Agreement, being true and correct as at the Time of Closing, with the same force and effect as if made on and as at the Time of Closing, after giving effect to the transactions contemplated by this Underwriting Agreement;

(5) **Certificate of Transfer Agent.** The Company having delivered to the Underwriters at the Time of Closing a certificate of the Transfer Agent, certifying as to the number of Common Shares issued and outstanding on the Business Day prior to the Closing Date;

(6) **Bring Down Auditor Comfort Letters.** The Company having caused the Company's Auditors to deliver to the Underwriters comfort letters, dated the Closing Date, in forms and substance satisfactory to the Underwriters, acting reasonably, bringing forward to the date which is two Business Days prior to the Closing Date, the information contained in the comfort letter referred to in paragraph 3(4)(e);

(7) **Certificate of Status.** The Underwriters shall have received a certificate of status in respect of the Company and the Material Subsidiary issued by the appropriate regulatory authority in each jurisdiction under which the Company and the Material Subsidiary exist;

(8) **Board Approval**. The Company's board of directors shall have authorized and approved the execution and delivery of the Prospectus, Underwriting Agreement, the creation and issuance of the Purchased Shares and the Additional Shares, and all matters relating thereto;

(9) **No Termination.** The Underwriters not having exercised any rights of termination set forth in Section 13; and

(10) **Lock-Up Agreements.** The Company having delivered to the Underwriters at the Time of Closing lock-up agreements signed by each of the Company's directors, executive officers and principal shareholders, with the exception of one of the directors, whereby such persons covenant that, for a period of 90 days from the Closing Date, each will not, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any Common Shares of the Company, whether now owned directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of common shares of the Company, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise, other than (i) pursuant to a take-over bid or any other similar transaction made generally to all of the shareholders of the Company; or (ii) the sale by certain directors of the Company of up to an aggregate of 400,000 Common Shares, executed in a single bulk transaction through the trading facilities of Clarus.

(11) **Other Documentation.** The Underwriters having received at the Time of Closing such further opinions, certificates and other documentation from the Company as may be contemplated herein or as the Underwriters may reasonably require, provided, however, that the Underwriters shall request any such opinion, certificate or document within a reasonable period prior to the Time of Closing that is sufficient for the Company to obtain and deliver such certificate or document.

Section 7 Representations and Warranties of the Company

(1) The Company represents and warrants to the Underwriters as of the date hereof, and acknowledges that the Underwriters are relying upon each of such representations and warranties in completing the Closing, that:

(a) *Good Standing of the Company*. The Company has been duly incorporated, is up-to-date in respect of all material corporate filings and is validly existing under the laws of Ontario, has all requisite corporate power and authority and is duly qualified and possesses all material certificates, permits and licenses issued by the appropriate provincial, municipal, federal regulatory agencies or bodies necessary (and has not received or is not aware of any modification or revocation to such certificates, permits or licenses, except such modifications or amendments as are necessary for the conduct of its business) to carry on its business as now conducted (including as described in the Preliminary Prospectus) and to own its properties and assets, except for those certificates, permits and licenses which the failure to obtain would not, individually or in the aggregate, have a Material Adverse Effect, and the Company has all requisite corporate power and authority to enter into and carry out its obligations under this Underwriting Agreement and the Preliminary Prospectus and to consummate the transactions under this Underwriting Agreement and as described in the Preliminary Prospectus.

(b) *Good Standing of Subsidiaries*. The Company's only active operating subsidiary is the Material Subsidiary. The Material Subsidiary has been duly amalgamated, is up-to-date in respect of all material corporate filings and is validly existing under the laws of Ontario, has all requisite corporate power and authority and is duly qualified and possesses all material certificates, permits and licenses issued by the appropriate provincial, municipal, federal regulatory agencies or bodies necessary (and has not received or is not aware of any modification or revocation to such certificates, permits or licenses, except such modifications or amendments as are necessary for the conduct of its business) to carry on its business as now conducted and to own its properties and assets, except for those certificates, permits and licenses which the failure to obtain would not, individually or in the aggregate, have a Material Adverse Effect.

(c) *Ownership of Subsidiaries*. All of the outstanding shares of each Subsidiary are issued and outstanding as fully paid and non-assessable shares and are legally and beneficially owned by the Company, free and clear of all Liens and no person has any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any of the unissued shares or other securities of any Subsidiary or for the purchase or acquisition of any of the outstanding shares or other securities of any Subsidiary.

(d) *Compliance with Canadian Securities Laws and Reporting Issuer Status*. The Company is a "reporting issuer" in each of the Qualifying Jurisdictions, and is not in default of the requirements under Applicable Securities Laws of such jurisdictions, in particular, without limiting the foregoing, the Company is in compliance with all of its timely and continuous disclosure obligations under Applicable Securities Laws of the Qualifying Jurisdictions, including its obligation to make timely disclosure of all material changes relating to it and since September 30, 2013 (other than in respect of material change reports filed on a confidential basis and thereafter made public or material change reports filed on a confidential basis and in respect of which the material change never came to fruition) no such disclosure has been made on a confidential basis and there is no material change relating to the Company which has occurred and with respect to which the requisite material change report has not been filed.

(e) *Company's Information Record*. The information contained in the Company's Information Record is, as of the date of such information, true and correct in all material respects, and nothing contained in the Company's Information Record contains a material misrepresentation that has not been publicly corrected.

(f) *Material Agreements*. All of the Material Agreements not made in the ordinary course of business have been disclosed in the Preliminary Prospectus and, if required under Applicable Securities Laws of Canada, have been filed with the applicable Securities Commissions, are valid and subsisting agreements and are in full force and effect. None of the Company, the Subsidiaries and, to the knowledge of the Company, any other party to any Material Agreement, has received notification from any party that it is in breach of or default under any Material Agreement.

(g) *Authorization and Description of Offered Shares*. The Offered Shares have been duly authorized for issuance and sale pursuant to this Underwriting Agreement and, when issued and delivered by the Company pursuant to this Underwriting Agreement, against payment of the consideration set forth herein and upon filing of a prospectus in accordance with applicable securities regulation, will be freely tradable and validly issued as fully paid and non-assessable shares. The Offered Shares conform and will conform to all statements relating thereto contained in the Preliminary Prospectus and such description conforms to the rights set forth in the instruments defining the same. The issuance of the Offered Shares is not subject to the pre-emptive rights of any shareholder of the Company and all corporate action required to be taken for the authorization, issuance, sale and delivery of the Offered Shares has been validly taken at the date hereof.

(h) *Underwriting Agreement*. This Underwriting Agreement has been duly authorized, executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law.

(i) *Absence of Defaults and Conflicts*. Each of the execution and delivery of this Underwriting Agreement, the performance by the Company of its obligations hereunder, the issue and sale of the Offered Shares hereunder and the consummation of the transactions contemplated hereby, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both): (a) any statute, rule or regulation applicable to the Company, including any Applicable Securities Laws, except for where such contract, breach, violation or default would not have a Material Adverse Effect or result in an adverse material change to the Company; (b) the articles, by-laws or resolutions of the Company which are in effect at the date hereof; (c) any Material Agreement to which the Company is a party or by which it is bound; or (d) any judgment, decree or order binding the Company or the property or assets of the Company.

(j) *Share Capital*. The authorized share capital of the Company consists of an unlimited number of Common Shares. As of the date hereof, there are 38,550,572 Common Shares issued and outstanding as fully paid and non-assessable shares in the capital of the Company.

(k) *Absence of Rights*. No person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the issue or allotment of any unissued shares of the Company or any other security convertible into or exchangeable for any such shares or to require the Company to purchase, redeem or otherwise acquire any of the issued and outstanding shares of the Company, except as set forth in Schedule "B" hereto.

(l) *Exchange Listing*. The currently issued and outstanding common shares of the Company are listed and posted for trading on the TSXV and no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Company or prohibiting the trading of the Company's issued securities has been issued and no proceedings for such purpose have been instituted or are pending or, to the knowledge of the Company, contemplated or threatened.

(m) *Securities Law Filings and Prospectus Disclosure*. All filings and fees required to be made and paid by the Company and the Subsidiaries pursuant to Applicable Securities Laws have been paid and the information and statements set forth in the Preliminary Prospectus and the Final Prospectus are, or will be, as applicable, true, correct and complete in all material respects and do not, or will not, as applicable, contain any misrepresentation.

(n) *Financial Statements*. The audited consolidated financial statements of the Company as at and for the financial years ended September 30, 2013 and 2012 have been prepared in accordance with International Financial Reporting Standards consistently applied throughout the periods referred to therein and present fairly, in all material respects, the consolidated financial position (including the assets and liabilities, whether absolute, contingent or otherwise) of the Company and the Subsidiaries as at such dates and the consolidated results of operations of the Company and the Subsidiaries for the periods then ended and there has been no material change in accounting policies or practices of the Company since September 30, 2013.

(o) *No Material Adverse Effect*. Since September 30, 2013, except as disclosed in the Preliminary Prospectus: (a) there has been no material change in the condition (financial or otherwise), or in the affairs, operations, assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Company and the Subsidiaries, on a consolidated basis, whether or not arising in the ordinary course of business which would give rise to a Material Adverse Effect; (b) there have been no transactions entered into by the Company or the Subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and the Subsidiaries, on a consolidated basis, in each case; (c) there has not been any material change to the capital stock or long-term debt of the Company and the Subsidiaries on a consolidated basis; and (d) the Company and the Material Subsidiary have carried on their respective businesses in the ordinary course.

(p) *Taxes*. All taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, customs duties and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable or required to be collected or withheld and remitted or payable, by the Company and the Subsidiaries have been paid, collected or withheld and remitted as applicable, except for where the failure to pay such Taxes would not have a Material Adverse Effect or result in an adverse material change to the Company and the Subsidiaries, on a consolidated basis. All tax returns, declarations, remittances and filings required to be filed by the Company and the Subsidiaries have been filed with all appropriate governmental authorities, except for where such failure would not have a Material Adverse Effect or result in an adverse material change to the Company and the Subsidiaries, on a consolidated basis, and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading or result in an adverse material change to the Company and the Subsidiaries, on a consolidated basis. To the knowledge of the Company, no examination of any tax return of the Company or any of the Subsidiaries is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any Taxes that have been paid, or may be payable, by the Company or the Subsidiaries. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to the Company or any of the Subsidiaries.

(q) *Auditors*. The auditors of the Company who audited the consolidated financial statements of the Company as at and for the years ended September 30, 2013 and 2012 (the "**Financial Statements**") and who provided their audit report thereon and the current auditors of the Company are in each case independent public accountants as required under Applicable Securities Laws and there has never been a reportable event (within the meaning of National Instrument 51-102 - *Continuous Disclosure Obligations*) between the Company and such auditors or, to the knowledge of the Company, any former auditors of the Company.

(r) *Accounting Controls*. The Company and the Material Subsidiary have established and maintain, and will maintain, a system of internal accounting controls sufficient to provide reasonable assurance: (a) that transactions are executed in accordance with management's general or specific authorizations; (b) that transactions are recorded as necessary to permit preparation of financial statements in conformity with International Financial Reporting Standards and to maintain asset accountability; (c) that access to assets is permitted only in accordance with management's general or specific authorization; (d) that the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; (e) that material information relating to the Company and the Material Subsidiary is made known to management and those within the entity responsible for the preparation of the financial statements during the period in which the financial statements have been prepared and that such material information is disclosed to the public within the time periods required by applicable laws; (f) that all significant deficiencies and material weaknesses in the design or operation of such internal controls that could adversely affect the Company's ability or the Material Subsidiary's ability to disclose to the public information required to be disclosed by each of them in accordance with applicable law and all fraud that involves management or employees that have a significant role in the Company's or the Material Subsidiary's internal controls have been disclosed to the audit committees of the Company or the Material Subsidiary, as applicable; (g) regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards; (h) that it has evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by the Financial Statements and disclosed in the annual management's discussion and analysis management's conclusions about the effectiveness of the disclosure controls and procedures as of September 30, 2013 and 2012; and (i) that the Company has disclosed in the annual management's discussion and analysis of the Company's most recent Financial Statements any material change in the Company's internal control over financial reporting that occurred during the Company's applicable interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(s) *No Default*. Neither the Company nor any of the Subsidiaries, nor to the best of the Company's knowledge, any other person, is in default in the observance or performance of any term, covenant or obligation to be performed by the Company or any of the Subsidiaries or such other person under any Debt Instrument, Material Agreement, agreement, or arrangement to which the Company or any of the Subsidiaries is a party or otherwise bound which could reasonably be expected to have a Material Adverse Effect, and all such contracts, agreements or arrangements are in good standing, and no event has occurred which with notice or lapse of time or both would constitute such a default by the Company, a Subsidiary or, to the best of the Company's knowledge, any other person;

(t) *No Restriction on Payment of Dividends*. There is not, in the constating documents of the Company or in any Material Agreement to which the Company is a party, any restriction upon or impediment to, the declaration or payment of dividends by the directors of the Company or the payment of dividends by the Company to the holders of the common shares of the Company.

(u) *No Restriction on Conduct of Business*. Neither the Company, nor any Subsidiary, is a party to or bound by or affected by any commitment, agreement or document, containing any covenant which expressly limits the freedom of the Company or any of the Subsidiaries to compete in any line of business, transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of the Company or the Subsidiaries, taken as a whole.

(v) *Absence of Proceedings*. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency, governmental instrumentality or body, domestic or foreign, now pending or, to the knowledge of the Company, threatened against or affecting the Company or any of the Subsidiaries, which is required to be disclosed in the Preliminary Prospectus and which is not so disclosed, or which, if determined adversely, would have a Material Adverse Effect or would reasonably be expected to have a Material Adverse Effect on: (a) the properties or assets of the Company or the any of the Subsidiaries; (b) the consummation of the transactions contemplated in this Underwriting Agreement; or (c) the performance by the Company of its obligations hereunder.

(w) *Absence of Judgments*. There are no judgments against the Company or any of the Subsidiaries which are unsatisfied, nor are there any consent decrees or injunctions to which the Company or any Subsidiary is subject.

(x) *Title to Assets*. Subject to subsections (y) ("*Ownership of Intellectual Property*") immediately below, the Company or the Subsidiaries are the legal and beneficial owner of, and has good and marketable title to or leasehold interest in, all of the property rights described in the Preliminary Prospectus, free and clear of all Liens, charges, other than those described in the Preliminary Prospectus, and no other property rights are necessary for the conduct of the business of the Company or the Subsidiaries as currently conducted, the Company knows of no claim or basis for any claim that might or could have a Material Adverse Effect on the right of the Company or the Subsidiaries to use, transfer or otherwise exploit such property rights, other than those described in the

Preliminary Prospectus, and neither the Company nor the Subsidiaries have any obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof, except as described in the Preliminary Prospectus.

(y) *Ownership of Intellectual Property*. For the purposes of this subsection 7(y), all references to the Company shall be deemed to include the Company and the Material Subsidiary.

(i) other than as disclosed to the Underwriters and other than the intellectual property for which the Company has been granted a license or keeps as a trade secret, the Company is the exclusive owner of, and has good title to the intellectual property used by the Company in the conduct of its business;

(ii) the Company has not transferred ownership of any intellectual property owned by the Company to any third party. The Company has not permitted the Company's rights in such intellectual property to lapse or enter the public domain in such a manner to cause a Material Adverse Effect;

(iii) other than as disclosed to the Underwriters, the Company has no knowledge of any pending or threatened litigation, proceeding, claim, demand, arbitration, mediation, dispute resolution, suit, action, investigation or judicial review in which the intellectual property of the Company is alleged to be invalid, unenforceable or not properly in the name of the Company or its Subsidiaries, as the case may be;

(iv) to the knowledge of the Company, neither the Company nor any of the Subsidiaries has infringed or is infringing the intellectual property rights of others. The Company is not aware of any pending or threatened litigation, proceeding, claim, demand, arbitration, mediation, dispute resolution, suit, action, investigation or judicial review which alleges that the intellectual property used in the conduct of the Company's business or the business of the Material Subsidiary would or does infringe the intellectual property rights of a third party;

(v) except as properly disclosed in the Preliminary Prospectus, neither the Company nor the Material Subsidiary is obligated or under any liability whatsoever to make any payments by way of royalties or license fees to any owner or licensor of, or other claimant to, any patent, trademark, service mark, trade name, copyright, technology or other intangible asset, with respect to the use thereof (other than for commercially available off the shelf products);

(vi) to its knowledge, no person or entity is infringing or misappropriating any intellectual property rights of the Company. The Company has not provided notice to any third party (i) that the operation of the business of the third party or any act, product or service of the third party infringes or misappropriates the intellectual property rights of the Company or constitutes unfair competition or unfair trade practices under the legal requirements of any jurisdiction, or (ii) challenging the ownership, validity, enforceability or registerability of any third party intellectual property;

(vii) the Company has taken, and continues to take, commercially reasonable precautions and to make commercially reasonable efforts to protect the Company's proprietary information and trade secrets from disclosure to, or use by, unauthorized persons, as well as from theft, tampering, sabotage and transmission; and

(viii) there is no right under any patent, patent application, trademark, trademark application, trade name, service mark, copyright, franchise, or other intangible property or asset necessary to the business of the Company or the Material Subsidiary as presently conducted, except as disclosed in the Preliminary Prospectus.

(z) *Title to Real Property*. Neither the Company nor any of the Subsidiaries owns any real property, except for interests in real property in the nature of leasehold interests. All of the leases, subleases and agreements in real property material to the business of the Company and the Subsidiaries, on a consolidated basis, and under which the Company or the Subsidiaries have an interest in properties described in the Preliminary Prospectus, are in full force and effect, and, except as otherwise disclosed in the Preliminary Prospectus, neither the Company nor any of the Subsidiaries has received any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or the Subsidiaries under any of the leases, subleases or agreements mentioned above, or affecting or questioning the rights of the Company or the Subsidiaries to the continued possession of the property under any such lease, sublease or agreement.

(aa) *Compliance with Laws, Licenses and Permits*. The Company and the Material Subsidiary have conducted and are conducting the business thereof in compliance in all material respects with all applicable laws, rules, regulations, tariffs, orders and directives of each jurisdiction in which it carries on business and possess such permits, certificates, licenses, approvals, consents and other authorizations (collectively, "**Governmental Licenses**") issued by the appropriate federal, provincial, state, local or foreign regulatory agencies or bodies necessary to own, lease, stake or maintain its property interests and to conduct the business now operated by them, except where the failure to possess such permits, certificates, licenses, approvals, consents or authorizations would not reasonably be expected to have a Material Adverse Effect. All of the Governmental Licenses are valid and in full force and effect. Neither the Company nor any of the Subsidiaries have received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses, nor does the Company know of, or have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, rules, regulations, tariffs, orders or directives which could reasonably be expected to have a Material Adverse Effect.

(bb) *Environmental Laws*. Each of the Company and each of the Subsidiaries: (i) is in compliance with any and all applicable foreign, federal, provincial, state and local laws and regulations relating to the protection of human health and safety, conservation, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"), except for such failures to comply as would not have a Material Adverse Effect; (ii) has received all material permits, licenses or other approvals required of it under applicable Environmental Laws to conduct its business as currently conducted; and (iii) is in compliance with all terms and conditions of any such permit, license or approval, except in each case for such permits, licenses, approvals or failures to comply that would not have a Material Adverse Effect. To the knowledge of the Company, there have been no past, and there are no pending or threatened claims, complaints, notices or requests for information received by the Company with respect to any alleged violation of any Environmental Law and, to the knowledge of the Company, no conditions exist at, on or under any property now or previously owned, operated or leased by the Company or any of the Subsidiaries which, with the passage of time, or the giving of notice or both, would give rise to liability under any Environmental Law that, individually or in the aggregate, has or may reasonably be expected to have a Material Adverse Effect.

(cc) *No Environmental Audits*. There are no environmental audits, evaluations, assessments, studies or tests relating to the Company or any of the Subsidiaries, except for ongoing assessments conducted by or on behalf of the Company or the Subsidiaries in the ordinary course.

(dd) *No Change to Applicable Laws*. The Company is not aware of any pending or contemplated change to any applicable law or regulation that would have a Material Adverse Effect, or would reasonably be expected to materially adversely affect the business or legal environment in which the Company or the Material Subsidiary operates.

(ee) *Employment Laws*. Each of the Company and each of the Subsidiaries is in compliance with all laws respecting employment and employment practices, terms and conditions of employment, occupational health and safety, pay equity and wages, except for such failures to comply as would not have a Material Adverse Effect. There is not currently any, or any reasonably foreseeable, labour disruption or conflict involving the Company or any of the Subsidiaries.

(ff) *Employee Plans*. 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 for the benefit of any current or former director, officer, employee or consultant of the Company or the Material Subsidiary (the "**Employee Plans**") has been maintained in all material respects with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans.

(gg) *Union*. No union has been accredited or otherwise designated to represent any employees of the Company or any of the Subsidiaries and, to the knowledge of the Company, no accreditation request or other representation question is pending with respect to the employees of the Company or any of the Subsidiaries and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect and none is currently being negotiated by the Company or any of the Subsidiaries.

(hh) *Employee Indebtedness*. Neither the Company or any one of the Subsidiaries have any loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada)) with them.

(ii) *Executive Compensation*. The directors and officers of the Company and their compensation arrangements with the Company, whether as directors, officers or employees of the Company, are as disclosed in the Preliminary Prospectus.

(jj) *Directors and Officers*. To the knowledge of the Company, other than as disclosed, none of the directors or officers of the Company are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange.

(kk) *Insurance*. To the extent commercially reasonable and reasonably available, the Company and each of the Subsidiaries maintain insurance against loss of, or damage to, their fixed assets on a replacement cost basis in accordance with industry standards, and all of the policies in respect of such insurance coverage are in good standing in all respects and not in default.

(ll) *Transfer Agent and Registrars*. The Transfer Agent has been duly appointed as Transfer Agent in respect of the common shares of the Company.

(mm) *Forms of Certificates*. The form of the certificates representing the Common Shares has been duly approved by the Company and comply with the provisions of applicable laws.

(nn) *No Non-Arm's Length Transactions.* None of the directors or officers of the Company, any known holder of more than 10% of any class of shares of the Company, or any known associate or affiliate of any of the foregoing persons, has had any material interest, direct or indirect, in any transaction during the three most recently completed financial years or during the current financial year, or any proposed material transaction which, as the case may be, materially affected, is material to or will materially affect the Company and the Subsidiaries on a consolidated basis

(oo) *No Brokerage or Finder's Fee*. Other than the Underwriters, as set out in this Underwriting Agreement, and as set out in the Preliminary Prospectus, there are no persons acting or purporting to act at the request of, or on behalf of, the Company that are entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Underwriting Agreement.

(pp) *No Voting Control Agreement*. The Company is not a party to any agreement, nor is the Company aware of any agreement, which in any manner affects the voting control of any of the securities of the Company or the Subsidiaries.

(qq) *No Debt Instrument*. Neither the Company nor any of the Subsidiaries is a party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument, in each case, other than in the ordinary course of business.

(rr) *No Liabilities*. The Company does not have any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Company's Information Record or referred to or disclosed to the Underwriters which would reasonably be expected to have a Material Adverse Effect.

(ss) *Materials Provided by the Company*. All information and documentation concerning the Company, the Common Shares and the Offering that is provided by the Company in connection with this Underwriting Agreement is accurate and complete in all material respects and not misleading and will not omit to state any fact or information which would be material to an underwriter performing the services contemplated herein.

(tt) *Minute Books*. The records of the Company that the Company has made available to the Underwriters and their counsel, Wildeboer Dellelce LLP, in connection with their due diligence investigation of the Company, contain copies of all proceedings (or certified copies thereof) of the shareholders, the board of directors and all committees of the board of directors of the Company. There have been no other meetings, resolutions or proceedings of the shareholders, board of directors or any committees of the board of directors of the Company not reflected in such records, other than resolutions of the directors approving the Offering.

(uu) *Leased Premises*. With respect to each of the Leased Premises, the Company or one of the Subsidiaries occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Company or a Subsidiary occupies the Leased Premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Underwriting Agreement, and the completion of the transactions described herein by the Company, will not afford any of the parties to such leases or any other person the right to terminate such lease or result in any additional or more onerous obligations under such leases.

(vv) *No Shareholder Rights Plan*. The Company does not have a shareholder rights or similar plan.

(ww) *No Proceedings for Dissolution of Company or any Subsidiary*. No proceedings have been taken, instituted or, to the knowledge of the Company, are pending for the dissolution or liquidation of the Company or any of the Subsidiaries.

(xx) *Use of Proceeds*. The net proceeds of the Offering shall be used by the Company pursuant to the description thereof in the Preliminary Prospectus. Other than the Company, there is no person that is or will be directly entitled to the proceeds from the sale of the Common Shares pursuant to the Offering under the terms of any Material Agreement or otherwise.

(yy) *Eligibility to File Short Form Prospectus*. The Company is eligible to file a short form prospectus in each of the Qualifying Jurisdictions pursuant to applicable Canadian Securities Laws and on the date of and upon filing of the Final Prospectus there will be no documents required to be filed under the Canadian Securities Laws in connection with the Offering that will not have been filed as required.

(zz) *Significant Acquisitions and Dispositions*. The Company has not completed within the 75 day period immediately prior to the date hereof, nor is it proposing any "significant acquisition", "significant disposition", or "probable acquisitions" (as such terms are used in NI 44-101) that would require the inclusion of any additional financial statements or pro forma financial statements in the Preliminary Prospectus pursuant to Canadian Securities Laws.

(aaa) *Civil Liability for Secondary Market Disclosure*. The Company is not aware of any circumstances presently existing under which liability is or could reasonably be expected to be incurred under Part XXIII.1 – Civil Liability for Secondary Market Disclosure of the Securities Act (Ontario).

(bbb) *Money Laundering Laws*. The operations of the Company and the Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental authority (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court of governmental authority or any arbitrator non-governmental authority involving the Company or any of the Subsidiaries with respect to the Money Laundering Laws is, to the knowledge of the Company, pending or threatened.

(ccc) *Unlawful Payment*. Neither the Company nor any of the Subsidiaries nor, to the knowledge of the Company, any employee or agent of the Company or any of the Subsidiaries, has made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Canadian, United States or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by applicable laws.

(ddd) *Offering Documents*. The Offering Documents shall, at the respective dates thereof: (a) constitute full, true and plain disclosure of all material facts relating to each of the Offering, the Common Shares, and the Company and the Subsidiaries, on a consolidated basis; (b) not omit to state a material fact or information (except facts or information relating solely to the Underwriters) which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not materially misleading in light of the circumstances under which they were made; (c) not contain a material misrepresentation; and (d) in all material respects comply with Applicable Securities Laws.

(eee) *Inactive Subsidiary*. SecTrack NV is currently inactive and neither the revenues of this subsidiary, nor its assets constituted more than 1% of the Company's consolidated revenues or assets (as the case may be) during or as at the Company's financial year ended September 31, 2013.

Section 8 Additional Covenants of the Company

(1) In addition to any other covenant of the Company set forth in this Underwriting Agreement, the Company covenants with the Underwriters that:

(a) **Stock Exchange Listing.** The Company will file or cause to be filed with the TSXV all necessary documents and will take commercially reasonable steps to ensure that the Purchased Shares and the Additional Shares issuable upon exercise of the Over-Allotment Option have been approved (or conditionally approved) for listing and for trading on the TSXV, prior to the filing of the Final Prospectus with the Securities Commissions, subject only to satisfaction by the Company of the Standard Listing

Conditions, and the Company shall thereafter fulfil the Standard Listing Conditions within the time period prescribed by the TSXV;

(b) **Other Filings.** The Company will make all necessary filings, use commercially reasonable efforts to obtain all necessary regulatory consents and approvals (if any) and the Company will pay all filing fees required to be paid in connection with the transactions contemplated in this Underwriting Agreement;

(c) **Press Releases.** Subject to compliance with applicable law, any press release of the Company during the period of distribution of the Offered Shares will be provided in advance to Underwriters, and the Company will use its reasonable best efforts to agree to the form and content thereof with the Underwriters, prior to the release thereof, and any press release shall include the following legend: "*This news release is intended for distribution in Canada only and is not authorized for distribution to U.S. newswire services or for release, publication, distribution or dissemination, directly or indirectly, in whole or in part, in or into the United States*";

(d) **Marketing Materials.**

(i) To the extent applicable, during the distribution of the Offered Shares:

(A) the Company shall prepare, in consultation with the Co-Lead Underwriters, and approve in writing, prior to the time any Marketing Materials are provided to potential investors, a template version of such Marketing Materials reasonably requested to be provided by the Underwriters to any potential purchaser of Offered Shares, such Marketing Materials to comply with Applicable Securities Laws and be acceptable in form and substance to the Underwriters and their counsel, acting reasonably, and approved in writing by the Co-Lead Underwriters on behalf of the Underwriters as contemplated by the Applicable Securities Laws;

(B) the Company shall file a template version of such Marketing Materials with the Securities Commissions as soon as reasonably practicable after a template version of the Marketing Materials are so approved in writing by the Company and the Co-Lead Underwriters on behalf of the Underwriters and in any event on or before the day the Marketing Materials are first provided to any potential purchaser of Offered Shares; and

(C) any comparables (as defined in NI 41-101) shall be removed from the template version in accordance with NI 44-101 prior to filing such template version with the Securities Commissions and a complete template version containing such comparables and any disclosure relating to the comparables, if any, shall be delivered to the Securities Commissions by the Company as required by the Applicable Securities Laws.

(ii) Following the approvals and filings set forth in subsection 8(d)(i), the Underwriters may provide a "limited-use version" (as defined in NI 41-101) of such Marketing Materials to potential purchasers of Offered Shares in accordance with Applicable Securities Laws; and

(iii) During the distribution of the Offered Shares, the Company and the Underwriters, on a several basis, covenant and agree:

(A) not to provide any potential purchaser of Offered Shares with any Marketing Materials unless a template version of such Marketing Materials has been or will be filed by the Company with the Securities Commissions on or before the day such Marketing Materials are first provided to any potential purchaser of Offered Shares;

(B) not to provide any potential purchaser with any materials or information in relation to the distribution of the Offered Shares or the Company other than: (A) such Marketing Materials for which the template versions thereof have been approved and filed in accordance with subsection 8(d)(i); (B) the Preliminary Prospectus, the Final Prospectus and any Supplementary Material in accordance with this Underwriting Agreement; and (C) any standard term sheets approved in writing by the Company and the Co-Lead Underwriters; and

(C) that any Marketing Materials for which the template versions thereof have been approved and filed in accordance with subsection 8(d)(i) and any standard term sheets approved in writing by the Company and the Co-Lead Underwriters, shall only be provided to potential investors in the Qualifying Jurisdictions;

(e) **Use of Proceeds.** The Company confirms its intention to use the net proceeds from the purchase and sale of the Offered Shares in accordance with the descriptions set forth under the heading "Use of Proceeds" in the Preliminary Prospectus; and

(f) **Standstill Period.** From the date hereof until 90 days from the Closing Date, the Company agrees not to, without the prior written consent of the Co-Lead Underwriters, on behalf of the Underwriters, such consent not to be unreasonably withheld or delayed, authorize, sell or issue or announce its intention to authorize, sell or issue, or negotiate or enter into an agreement to sell or issue, any securities of the Company (including those that are convertible or exchangeable into securities of the Company) other than (i) pursuant to the Offering; (ii) the issuance of non-convertible debt securities; (iii) upon the exercise of convertible securities, options or warrants of the Company outstanding as of January 16, 2014; (iv) pursuant to the Company's stock option plan; or (v) pursuant to acquisition of shares or assets of arm's length persons which does not result in a change of control of the Company;

(g) **Alternative Transactions.** Until completion of the Offering the Company agrees not to sell or negotiate or enter into an arrangement to sell all or substantially all of the assets of the Company or enter into a merger or other business combination with a third party or other similar transaction, which transaction does not provide for the completion of the Offering (an "**Alternative Transaction**"). In the event the Company enters into an agreement or makes a public announcement with respect to an Alternative Transaction prior to completion of the Offering or the payment of fees in accordance with this paragraph (8)(1)(g) , the Company agrees to make payment to the Underwriters forthwith upon entering into such agreement or making such announcement in the amounts as described in Section 12 as if the Offering had been completed.

Section 9 Covenants of the Underwriters

(1) The Underwriters hereby severally represent, warrant and covenant and agree with the Company as follows:

(a) The Underwriters on their own behalf and on behalf of their respective U.S. Affiliates and all brokers, dealers and Selling Firms they involve in the Offering shall conduct the Offering in compliance with all applicable laws and are duly registered in accordance with such laws. During the period of distribution of the Offered Shares by or through the Underwriters, or a Selling Firm, the Underwriters will offer and sell, and the Underwriters will require any Selling Firm to agree to offer and sell, the Offered Shares to the public only in the Qualifying Jurisdictions or where they may lawfully be offered for sale or sold and as described in the Offering Documents. For the purposes of this paragraph 9(1)(a), the Underwriters shall be entitled to assume that the Offered Shares are qualified for distribution in any Qualifying Jurisdiction where a receipt for the Final Prospectus has been issued.

(b) The Underwriters will comply with, and will require any Selling Firm to agree to comply with, and will cause their respective U.S. Affiliates to comply with, the Underwriting Agreement, including Schedule "A" hereto and U.S. Securities Laws in connection with the offer to sell and the distribution of the Offered Shares.

(c) The Underwriters will not, will cause their U.S. Affiliates not to and will require any Selling Firm to agree not to, directly or indirectly, solicit offers to purchase or sell the Offered Shares or deliver any Offering Document to Purchasers so as to require registration of the Offered Shares or filing of a prospectus or registration statement with respect to those Offered Shares under the laws of any jurisdiction or qualification as a foreign corporation or to file a general consent to service of process in any jurisdiction other than the Qualifying Jurisdictions, including the United States. The Underwriters agree on their own behalf and on behalf of their respective U.S. Affiliates and will require any Selling Firm to agree, that any offer or sales of Offered Shares in the United States will be made only to Qualified Institutional Buyers in accordance with the terms and conditions set out in Schedule "A" to this Underwriting Agreement. The terms and conditions and the representations, warranties and covenants of the parties contained in Schedule "A" form part of this Underwriting Agreement.

(d) The Underwriters on their own behalf and on behalf of their respective U.S. Affiliates, and any Selling Firm appointed hereunder, will use their reasonable best efforts to complete the distribution of the Offered Shares as promptly as possible after the Time of Closing. The Underwriters will notify the Company as soon as possible when, in the Underwriters' opinion, the Underwriters and the Selling Firms have ceased the distribution of the Offered Shares and, within 30 days after completion of the distribution, will provide the Company, in writing, with a breakdown of the number of Offered Shares distributed in each of the Qualifying Jurisdictions where that breakdown is required by a Securities Commission for the purpose of calculating fees payable to, or making filings with, that Securities Commission.

(e) Upon the Company obtaining the necessary receipts therefor in each Qualifying Jurisdiction, the Underwriters shall deliver one copy of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material to each of the Purchasers within one Business Day of receipt thereof.

(2) No Underwriter shall be liable to the Company under this Section 9 with respect to a default by any of the other Underwriters.

(3) The Underwriters hereby represent and warrant that they have not provided any "marketing materials" (as defined in NI 41-101) to any potential investors in connection with the Offering, and the only materials provided to potential investors as of the date of this Underwriting Agreement is a "standard term sheet" (as defined in NI 41-101).

Section 10 Closing

(1) **Location of Closing.** The Closing will be completed at the offices of Cassels Brock & Blackwell LLP in Toronto, Ontario at the Time of Closing on the Closing Date or at such other place as the Underwriters and the Company may agree.

(2) **Certificates.** At the Time of Closing, subject to the terms and conditions contained in this Underwriting Agreement, the Company shall deliver to Clarus, on behalf of the Underwriters, the Purchased Shares via electronic deposit or represented by definitive certificates representing the Purchased Shares registered in the name of "CDS & Co." or in such other name as Clarus may direct the Company in writing not less than 48 hours prior to the Time of Closing (provided that any Purchased Shares sold to Qualified Institutional Buyers in the United States shall be represented by individual definitive certificates bearing the U.S. legends set forth in Schedule "A" to this Underwriting Agreement), against payment of the aggregate purchase price for the Purchased Shares in lawful money of Canada by wire transfer or, if permitted by applicable law, by certified cheque or bank draft payable at par in the City of Toronto and payable to the Company or as it may direct. Notwithstanding the foregoing and except with respect to Purchased Shares sold to Qualified Institutional Buyers in the United States, if the Company determines to issue any of the Purchased Shares as book-entry only securities in accordance with the "non-certificated inventory" rules and procedures of CDS, then as an alternative or in addition to the Company delivering one or more definitive certificates representing the Purchased Shares, the Underwriters will provide a direction to CDS with respect to the crediting of the Purchased Shares to the accounts of participants of CDS as shall be designated by the Underwriters in writing in sufficient time prior to the Closing Date to permit such crediting to occur at the Time of Closing.

(3) **Underwriting Fee.** The Company will, at the Time of Closing and upon such payment of the aggregate purchase price to the Company, make payment in full of the Underwriting Fee which will be made by the Company directing the Underwriters to withhold the Underwriting Fee and the reasonable expenses of the Underwriters payable pursuant to Section 17 from the payment of the aggregate purchase price of the Offered Shares issued and sold on the Closing Date.

Section 11 Over-Allotment Option

(1) The Company has granted to the Underwriters, for the purpose of covering over-allotments, if any, or for market stabilization purposes, the Over-Allotment Option to purchase up to 1,100,000 Additional Shares at a price of $3.00 per Additional Share. The Over-Allotment Option is exercisable in whole or in part until the date that is 30 days from and including the Closing Date.

Clarus, on behalf of the Underwriters, may exercise the Over-Allotment Option from time to time, in whole or in part, during the period thereof by delivering written notice to the Company (the "**Over-Allotment Notice**") specifying the number of Additional Shares which the Underwriters wish to purchase. If the Underwriters exercise the Over-Allotment Option, the Underwriters shall, on the Over-Allotment Closing Date, pay to the Company the aggregate purchase price for the Additional Shares so purchased in lawful money of Canada by wire transfer or, if permitted by applicable law, by certified cheque or bank draft payable at par in the City of Toronto dated the Over-Allotment Closing Date against delivery via electronic deposit or represented by definitive certificates in definitive form representing the Additional Shares, registered in the name of "CDS & Co." or in such other name as Clarus, on behalf of the Underwriters, may direct the Company in writing not less than 48 hours prior to the Time of Closing. Notwithstanding the foregoing, if the Company determines to issue any of the Additional Shares as book-entry only securities in accordance with the "non-certificated inventory" rules and procedures of CDS, then as an alternative or in addition to the Company delivering one or more definitive certificates representing the Additional Shares, the Underwriters will provide a direction to CDS with respect to the crediting of the Additional Shares to the accounts of participants of CDS as shall be designated by the Underwriters in writing in sufficient time prior to the Closing Date to permit such crediting to occur at the Time of Closing. The applicable terms, conditions and provisions of this Underwriting Agreement (including the provisions of Section 6 relating to closing deliveries unless otherwise agreed to by the Underwriters and the Company) shall apply *mutatis mutandis* to the issuance of any Additional Shares pursuant to any exercise of the Over-Allotment Option, except as otherwise agreed by the Company and the Underwriters. Notwithstanding the foregoing, no Additional Shares shall be offered or sold to investors in the United States.

(2) In the event that the Company shall subdivide, consolidate, reclassify or otherwise change its Common Shares during the period in which the Over-Allotment Option is exercisable, appropriate adjustments will be made to the offering price and to the number of Additional Shares issuable on exercise thereof such that the Underwriters are entitled to arrange for the sale of the same number and type of securities that the Underwriters would have otherwise arranged for had they exercised such Over-Allotment Option immediately prior to such subdivision, consolidation, reclassification or change.

Section 12 Compensation of the Underwriters

(1) **Underwriting Fee on Purchased Shares.** The Company shall pay to the Underwriters at the Time of Closing on the Closing Date the Underwriting Fee (equal to 5.0% of the aggregate gross cash proceeds received from the sale of the Purchased Shares) in consideration of the services to be rendered by the Underwriters in connection with the Offering.

(2) **Underwriting Fee on Additional Shares.** The Company shall pay to the Underwriters at the Time of Closing on the Over-Allotment Closing Date, if applicable, the Underwriting Fee (equal to 5.0% of the aggregate gross cash proceeds received from the sale of any Additional Shares).

Section 13 Termination Rights

(1) All terms and conditions set out in this Underwriting Agreement shall be construed as conditions. The Company shall use commercially reasonable efforts to cause all conditions in this Underwriting Agreement to be satisfied. 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

without prejudice to their rights in respect of any subsequent breach or non-compliance, provided that to be binding on the Underwriters, any such waiver or extension must be in writing.

(2) In addition to any other remedies which may be available to the Underwriters in respect of any default, act or failure to act, or non-compliance with the terms of this Underwriting Agreement by the Company, the Underwriters (or any of them) shall be entitled, at their option, to terminate and cancel, without any liability on the part of the Underwriters, their obligations under this Underwriting Agreement to purchase the Purchased Shares by giving written notice to the Company and to the other Underwriters (if applicable) at any time after the date hereof and prior to the Time of Closing:

(a) material change - there shall be any material change or change in a material fact, or there should be discovered any previously undisclosed material fact required to be disclosed in the Preliminary Prospectus, the Final Prospectus or any Supplementary Materials, in each case which, in the reasonable opinion of the Underwriters (or any of them), has or would be expected to have a significant adverse effect on the market price or value of the Common Shares or any other securities of the Company; or

(b) disaster / litigation / regulatory out - (i) there should develop, occur or come into effect or existence any event, action, state, condition (including without limitation, terrorism or accident) or major financial occurrence of national or international consequence or a new or change in any law or regulation which in the sole opinion of the Underwriters, acting reasonably, or any one of them, seriously adversely affects or involves or may seriously adversely affect or involve the financial markets or the business, operations or affairs of the Company and its subsidiaries taken as a whole or the market price or value of the securities of the Company; (ii) any inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened in relation to the Company or any one of the officers or directors of the Company or any of its principal shareholders where wrong-doing is alleged or any order is made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including without limitation the TSXV or Securities Commission which involves a finding of wrong-doing; (iii) any order, action or proceeding which cease trades or otherwise operates to prevent or restrict the trading of the Common Shares or any other securities of the Company is made or threatened by a securities regulatory authority; or

(c) breach - the Company is in breach of any material term, condition or covenant of this Underwriting Agreement or any material representation or warranty given by the Company in this Underwriting Agreement becomes or is false, which cannot be reasonably expected to be rectified prior to the Time of Closing.

(3) If the obligations of the Underwriters under this Underwriting Agreement are terminated pursuant to the termination rights in this Section 13, the liability of the Company to the Underwriters shall be limited to the obligations under Sections 15, 16 and 17.

(4) The right of the Underwriters (or any of them) to terminate their obligations under this Underwriting Agreement is in addition to any other remedies they may have in respect of any rights contemplated by the Underwriting Agreement. A notice of termination given by one Underwriter under this Section 13 shall not be binding upon the other Underwriters.

Section 14 Survival of Representations and Warranties

(1) All representations, warranties, covenants and agreements herein contained or contained in any documents delivered pursuant to this Underwriting Agreement and in connection with the transaction of purchase and sale herein contemplated shall survive the purchase and sale of the Offered Shares and the termination of this Underwriting Agreement and shall continue in full force and effect for the benefit of the Underwriters and/or the Company, as the case may be, in accordance with applicable law, regardless of the Closing of the Offering, any subsequent disposition of the Purchased Shares or any Additional Shares issued on exercise of the Over-Allotment Option and any investigation by or on behalf of the Underwriters with respect thereto for a period ending on the later of: (a) the date that is two years following the Closing Date; and (b) the latest date under Applicable Securities Laws that an action may be commenced or a right of rescission may be exercised with respect to a misrepresentation contained in the Final Prospectus or, if applicable, any Supplementary Material.

Section 15 Indemnity

(1) The Company covenants and agrees to protect, indemnify, and save harmless, each of the Underwriters and their respective affiliates, and each and every one of the directors, officers, employees, partners, agents, each other person, if any, controlling the Underwriter or any of its subsidiaries and each shareholder of the Underwriters (individually, an "**Indemnified Party**" and collectively, the "**Indemnified Parties**") from and against any and all losses, claims (including shareholder actions, derivative or otherwise), actions, suits, proceedings, damages, liabilities or expenses of whatever nature or kind, joint or several, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees, expenses and taxes of counsel to the Indemnified Party that may be incurred in advising with respect to and/or defending any action, suit, proceedings, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (collectively the "**Claims**") to which any Indemnified Party may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the performance of professional services rendered to the Company by the Indemnified Parties in connection with the Offering, whether performed before or after the Company's execution of this Underwriting Agreement and to reimburse each Indemnified Party forthwith, upon demand, for any legal or other expenses reasonably incurred by such Indemnified Party in connection with any Claim, including any Claim arising by reason of:

(a) any statement (except for statements relating solely to the Underwriters and furnished by them specifically for use in the Offering Documents) contained in the Offering Documents (including, for greater certainty, in any documents incorporated by reference therein), which at the time and in the light of the circumstances under which it was made contains or is alleged to contain a misrepresentation or any misstatement of a material fact;

(b) the omission or alleged omission to state in the Offering Documents (including, for greater certainty, in any documents incorporated by reference therein), or any certificate of the Company delivered hereunder or pursuant hereto any material fact (other than a material fact relating solely to the Underwriters) required to be stated therein or necessary to make any statement therein not misleading in light of the circumstances in which it was made;

(c) any order made, or inquiry, investigation or proceeding commenced by any securities regulatory authority or other competent authority based upon any misrepresentation, untrue statement or omission or alleged untrue statement or omission in the Offering Documents (including, for greater certainty, in any documents incorporated by reference therein and except for information and statements relating solely to the Underwriters and furnished by them specifically for use in the Offering Documents) that prevents or restricts the trading in any of the Company's securities or the distribution or distribution to the public, as the case may be, of any of the Offered Shares in any of the Qualifying Jurisdictions;

(d) the Company not complying with any requirement of Applicable Securities Laws or stock exchange requirements in connection with the transactions contemplated herein, including the Company's non-compliance with any statutory requirement to make any document available for inspection; or

(e) any breach of a representation or warranty of the Company contained in this Underwriting Agreement or the failure of the Company to comply with any of its obligations hereunder.

(2) Notwithstanding Subsection 15(1), the indemnification in Subsection 15(1) does not and shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that (a) the respective Underwriter(s) and/or their respective affiliates have been negligent or have committed any fraudulent act or wilful misconduct in the course of the professional services rendered to the Company, and (b) such expenses, losses, claims, damages, liabilities or actions were directly caused or incurred by the negligence, fraud or wilful misconduct of such Underwriter(s).

(3) If any matter or thing contemplated by this Section 15 shall be asserted against any Indemnified Party in respect of which indemnification is or might reasonably be considered to be provided, such Indemnified Party will notify the Company in writing as soon as possible of the nature of such claim (provided that omission to so notify the Company will not relieve the Company of any liability that it may otherwise have to the Indemnified Party hereunder, except to the extent the Company is materially prejudiced by such omission) and the Company shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim; provided, however, that the defence shall be through legal counsel reasonably acceptable to such Indemnified Party and that no settlement may be made by the Company or such Indemnified Party without the prior written consent of the other, such consent not to be unreasonably withheld.

(4) In any such claim, such Indemnified Party shall have the right to retain other legal counsel to act on such Indemnified Party's behalf, provided that the fees and disbursements of such other legal counsel shall be paid by such Indemnified Party, unless: (a) the Company and such Indemnified Party mutually agree to retain other legal counsel; or (b) the representation of the Company and such Indemnified Party by the same legal counsel would, in the opinion of such counsel, be inappropriate due to actual or potential differing interests, in which event such fees and disbursements shall be paid by the Company to the extent that they have been reasonably incurred, provided that in no circumstances will the Company be required to pay the fees and expenses of more than one set of legal counsel for all Indemnified Parties.

(5) To the extent that any Indemnified Party is not a party to this Underwriting Agreement, the Underwriters shall obtain and hold the right and benefit of this Section 15 in trust for and on behalf of such Indemnified Party.

(6) The Company hereby consents to personal jurisdiction in any court in which any claim that is subject to indemnification hereunder is brought against the Underwriters or any Indemnified Party and to the assignment of the benefit of this Section 15 to any Indemnified Party for the purpose of enforcement provided that nothing herein shall limit the Company's right or ability to contest the appropriate jurisdiction or forum for the determination of any such claims.

(7) The rights of the Company contained in this Section 15 shall not enure to the benefit of any Indemnified Party if the Underwriters were provided with a copy of any amendment or supplement to the Offering Documents which corrects any untrue statement or omission or alleged omission that is the basis of a claim by a party against such Indemnified Party and that is required, under the Applicable Securities Laws, to be delivered to such party by the Underwriters.

(8) The rights of the Company contained in this Section 15 shall not enure to the benefit of any Indemnified Party to the extent that any such loss, claim, damage, or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in any Offering Document in reliance upon and in conformity with written information concerning the Underwriters furnished to the Company by the Underwriters in writing specifically for use therein under the heading "Plan of Distribution" contained in the Offering Documents.

(9) The Company shall not be liable under this Section 15 for any settlement of any claim or action effected without its prior written consent.

Section 16 Contribution

In the event that the indemnity provided for in Section 15 is declared by a court of competent jurisdiction to be 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 expenses, losses, claims, damages, liabilities or actions 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 aggregate purchase price for the Offered Share, whether or not 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 portion of the Underwriting Fee actually received by such Underwriter. In the event that the Company may be held to be entitled to contribution from the Underwriters under the provisions of any statute or law, the Company shall be limited to contribution in an amount not exceeding the lesser of: (a) the portion of the full amount of expenses, losses, claims, damages, expenses, liabilities or actions giving rise to such contribution for which such Underwriter is responsible; and (b) the amount of the Underwriting Fee actually received by any Underwriter. Notwithstanding the foregoing, a person guilty of negligence or wilful misconduct shall not be entitled to contribution from any 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 another party or parties under this Section 16, notify such party or parties from whom contribution may be sought, but the omission to so notify such party shall not relieve the party from whom contribution may be sought from any obligation it may have otherwise under this Section 16, except to the extent that the party from whom contribution may be sought is materially prejudiced by such omission. The right to contribution provided herein shall be in addition and not in derogation of any other right to contribution which the Underwriters may have by statute or otherwise by law.

Section 17 Expenses

The Company will be responsible for all costs and expenses related to the Offering, whether or not it is completed, including all fees and disbursements of its legal counsel, accountants and auditors, expenses related to road shows and marketing activities, printing costs, filing fees, taxes thereon and all reasonable out-of-pocket expenses of the Underwriters (including reasonable fees of their legal counsel (up to a maximum of $75,000), disbursements of their legal counsel, taxes on such fees and disbursements of legal counsel, and the Underwriters' travel expenses in connection with due diligence and marketing meetings). Costs and expenses of the Underwriters, assuming Closing of the Offering, shall be payable by the Company to Clarus, on behalf of the Underwriters, at the Time of Closing. In the event that the Closing does not occur, the costs and expenses of the Underwriters shall be payable by the Company immediately upon receiving an invoice therefor from the Underwriters.

Section 18 Liability of the Underwriters

(1) The obligation of the Underwriters to purchase the Purchased Shares (or the Additional Shares, if the Over-Allotment Option is exercised) in connection with the Offering at the Time of Closing on the Closing Date (or the Over-Allotment Closing Date in the case of the exercise of the Over-Allotment Option) shall be several, and not joint, nor joint and several, and shall be as to the following percentages to be purchased at any such time:

Clarus Securities Inc.	32.5%
Paradigm Capital Inc.	32.5%
Canaccord Genuity Corp.	15%
Cormark Securities Inc.	10%
TD Securities Inc.	10%
	100.0%

(2) If an Underwriter (a "Refusing Underwriter") shall not complete the purchase and sale of the Offered Shares (the "Defaulting Securities") which such Underwriter has agreed to purchase hereunder for any reason whatsoever, the other Underwriters (the "Continuing Underwriters") shall be entitled, at their option within 36 hours, to purchase or make arrangements to purchase all but not less than all of the Defaulting Securities, *pro rata* according to the number of Offered Shares to have been acquired by the Continuing Underwriters hereunder or in such proportion as the Continuing Underwriters shall agree in writing. If, however, the Continuing Underwriters do not elect to purchase the balance of the Offered within 36 hours pursuant to the foregoing: (a) if the number of Defaulting Securities does not exceed 10% of the Offered Shares, the Continuing-Underwriters shall be obligated to purchase all but not less than all of the Defaulting Securities, *pro rata* according to the number of Offered Shares to have been acquired by the Continuing Underwriters hereunder; (b) if the number of Defaulting Securities exceeds 10% of the Offered Shares, the Continuing Underwriters shall not be obliged to purchase any of the Defaulting Securities, and if no Continuing Underwriters elects to purchase the Defaulting Securities, the Company shall not be obliged to sell less than all of the Offered Shares, and the Company shall be entitled to terminate its obligations under this Underwriting Agreement arising from its acceptance of this offer, in which event there shall be no further liability on the part of the Company or the Continuing Underwriters, except pursuant to the provisions of Sections 15, 16 and 17. Nothing in this Underwriting Agreement shall oblige any U.S. broker-dealer affiliate of any of the Underwriters to purchase the Offered Shares. Any U.S. broker dealer affiliate who

makes any offers or sales of the Offered Shares in the United States will do so solely as an agent for an Underwriter.

Section 19 Action by Underwriters.

All steps which must or may be taken by the Underwriters in connection with this Underwriting Agreement, with the exception of the matters relating to termination contemplated by Section 13 or as otherwise specified herein, may be taken by Clarus, on behalf of the Underwriters, and the execution of this Underwriting Agreement by the Company shall constitute the Company's authority for accepting notification of any such steps from, and for delivering the definitive documents constituting the Offered Shares to, or to the order of, Clarus.

Section 20 Governing Law

This Underwriting 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. Each of the parties irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

Section 21 Exchange Disclosure

TD Securities Inc., or an affiliate thereof, owns or controls an equity interest in TMX Group Limited ("**TMX Group**") and has a nominee director serving on the TMX Group's board of directors. As such, the investment dealer may be considered to have an economic interest in the listing of securities on any exchange owned or operated by TMX Group, including the TSX, the TSX Venture Exchange and the Alpha Exchange. No person or company is required to obtain products or services from TMX Group or its affiliates as a condition of any such dealer supplying or continuing to supply a product or service.

Section 22 Notices

All notices or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by facsimile to such other party as follows:

(a) to the Company at:

BSM Technologies Inc.
75 International Blvd, Suite 100
Toronto, Ontario M9W 6L9

Attention: Aly Rahemtulla
Facsimile: 416.679.8992

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

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2

Attention: Paul Stein
Facsimile No.: 416.350.6949

(b) to the Underwriters at:

Clarus Securities Inc.
Exchange Tower
130 King Street West, Suite 3640
Toronto, ON M5X 1A9

Attention: Mark Pavan
Facsimile No.: (416) 343-2798

Paradigm Capital Inc.
95 Wellington Street West
Suite 2101, P.O. Box 55
Toronto, ON M5J 2N7

Attention: Barry Richards
Facsimile No.: 416.361.0679

Canaccord Genuity Corp.
161 Bay Street, Suite 3000
Toronto, ON M5J 2S1

Attention: Sanjiv Samant
Facsimile No.: 416.869.3876

Cormark Securities Inc.
Royal Bank Plaza, South Tower
Suite 2800, 200 Bay Street
Toronto, Ontario M5J 2J2

Attention: Marwan Kubursi
Facsimile No.: 416.943.6496

TD Securities Inc.
66 Wellington Street West
Toronto, Ontario M5K 1A2

Attention: Will Hutchins
Facsimile No.: 416.983.3176

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

Wildeboer Dellelce LLP
Suite 800, Wildeboer Dellelce Place
365 Bay Street
Toronto, Ontario M5H 2V1

Attention: Peter Simeon
Facsimile No.: 416.361.1790

or at such other address or facsimile number as may be given by either of them to the other in writing from time to time and such notices or other communications shall be deemed to have been received when personally delivered or, if delivered by facsimile, on the date of receipt (with receipt confirmed) provided notice or communication is received prior to 5:00 p.m. (recipient's time) on a Business Day or, in any other case, on the next Business Day after such notice or other communication has been delivered by facsimile.

Section 23 Counterpart Signature

This Underwriting Agreement may be executed in one or more counterparts (including counterparts by facsimile or other electronic means), which together shall constitute an original copy hereof as of the date first noted above.

Section 24 Time of the Essence

Time shall be of the essence in this Underwriting Agreement.

Section 25 Severability

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

Section 26 Entire Agreement

This Underwriting Agreement constitutes the entire agreement between the Underwriters and the Company relating to the subject matter hereof and supersedes all prior agreements between the Underwriters and the Company relating to the Offering, including the provisions of the engagement letter between the Company and Clarus dated as of January 16, 2014.

Section 27 Obligations of the Underwriters

In performing their respective obligations under this Underwriting Agreement, the Underwriters shall be acting severally and not jointly and severally. Nothing in this Underwriting Agreement is intended to create any relationship in the nature of a partnership, or joint venture between the Underwriters. The Company hereby acknowledges that (i) the purchase and sale of the Offered Shares pursuant to this Underwriting Agreement is an arm's-length commercial transaction between the Company, on the one hand, and each of the Underwriters and any affiliate through which it may be acting, on the other, (ii) each of the Underwriters is acting as principal and not as an agent or fiduciary of the Company, and (iii) the Company's engagement of each of the Underwriters in connection with the Offering and the process leading up to the Offering is as independent contractors and not in any other capacity.

Section 28 Confidentiality

All information furnished to the Underwriters and its legal advisors and representatives in connection with the Underwriters' due diligence investigation will be treated by the Underwriters and their legal counsel and representatives as strictly confidential, subject to any applicable laws and regulations which may require disclosure, and will be used only in connection with the Underwriters' engagement under this Underwriting Agreement.

Section 29 Market Stabilization

In connection with the distribution of the Offered Shares, the Underwriters (or any of them) may effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market, but in each case as permitted by applicable Canadian Securities Laws. Such stabilizing transactions, if any, may be discontinued by the Underwriters at any time.

Section 30 Effective Date

This Underwriting Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

[Remainder of Page Left Blank Intentionally]

If the Company is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Underwriting Agreement where indicated below and delivering the same to the Underwriters.

Yours very truly,

CLARUS SECURITIES INC.

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

PARADIGM CAPITAL INC.

Per: (signed) *"Barry Richards"*
Authorized Signing Officer

CANACCORD GENUITY CORP.

Per: (signed) *"Sanjiv Samant"*
Authorized Signing Officer

CORMARK SECURITIES INC.

Per: (signed) *"Marwan Kubursi"*
Authorized Signing Officer

TD SECURITIES INC.

Per: (signed) "*Will Hutchins"*
Authorized Signing Officer

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

ACCEPTED as of this 22nd day of January, 2014.

BSM TECHNOLOGIES INC.

Per: (signed) *"Aly Rahemtulla"*
Authorized Signing Officer

SCHEDULE "A"
UNITED STATES OFFERS AND SALES

Capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Underwriting Agreement to which this Schedule "A" is annexed, and the following terms shall have the meanings indicated:

"**Directed Selling Efforts**" means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S;

"**Foreign Issuer**" means a foreign issuer as that term is defined in Rule 902(e) of Regulation S;

"**General Solicitation**" or "**General Advertising**" means "general solicitation" or "general advertising", as used under Rule 502(c) under the U.S. Securities Act, including without limitation, advertisements, articles, notices or other communications published on the internet or in any newspaper, magazine or similar media or broadcast over the internet, radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising or in any other manner involving a public offering within the meaning of Section 4(2) of the U.S. Securities Act;

"**Offshore Transaction**" means Offshore Transactions as that term is defined in Rule 902(h) of Regulation S;

"**Qualified Institutional Buyer**" means a qualified institutional buyer as that term is defined in Rule 144A(a)(1) of Rule 144A;

"**Regulation S**" means Regulation S under the U.S. Securities Act;

"**Securities**" means the Purchased Shares and any Additional Shares;

"**Substantial U.S. Market Interest**" means "substantial U.S. market interest" as that term is defined in Rule 902(j) of Regulation S;

"**United States**" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia; and

"**U.S. Person**" means a "U.S. person" as such term is defined in Rule 902(k) of Regulation S.

A. Representations, Warranties and Covenants of the Company

The Company represents and warrants to and covenants with each of the Underwriters that:

1. It is, and on the Closing Date and any Over-Allotment Closing Date will be, a Foreign Issuer and there is no Substantial U.S. Market Interest with respect to any of the Securities.

2. None of the Company, any of its affiliates, or any person acting on their behalf has made or will make any Directed Selling Efforts in the United States or to U.S. Persons, or has engaged or will engage in any form of General Solicitation or General Advertising in connection with the offer or sale of the Securities in the United States or to U.S. Persons;

3. The Company is not now, and will not as a result of the sale of the Securities

contemplated hereby be required to be registered as, and will not be, an open-ended investment corporation, closed-end investment corporation, unit investment trust or face-amount certificate corporation that is or is required to be registered under the United States Investment Company Act of 1940, as amended and the rules and regulations of the SEC promulgated thereunder;

4. The Company will offer and sell the Securities in the United States only to the Underwriters, acting through their U.S. Affiliates, who may resell the Securities only to Qualified Institutional Buyers in accordance with the Underwriting Agreement, including this Schedule "A";

5. The Securities are not, and as of the Closing Date will not be, and no securities of the same class as the Securities are or will be: (i) listed on a national securities exchange in the United States registered under Section 6 of the U.S. Exchange Act or have an application for listing on such exchange pending, or (ii) quoted in an "automated inter-dealer quotation system", as such term is used in the U.S. Exchange Act;

6. For so long as any of the Securities are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and if the Company is not subject to and in compliance with the reporting requirements of Section 13 or Section 15(d) of the U.S. Exchange Act or exempt from such reporting requirements pursuant to Rule 12g3-2(b) thereunder, the Company will provide to any holder of such Securities, or to any prospective purchaser of such Securities designated by such holder, upon the request of such holder or prospective purchaser, at or prior to the time of resale, the information required to be provided by Rule 144A(d)(4) (so long as such requirement is necessary in order to permit holders of the Securities to effect resales under Rule 144A);

The Company further acknowledges that the Securities have not been and will not be registered under the U.S. Securities Act or any United States state securities laws and can be offered and sold in the United States or to U.S. Persons only to Qualified Institutional Buyers in compliance with Rule 144A under the U.S. Securities Act or in a transaction that is otherwise exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

B. Representations, Warranties and Covenants of the Underwriters

Each Underwriter and each U.S. Affiliate represents and warrants to and covenants with the Company that:

1. (a) It acknowledges that the Securities are "restricted securities" and have not been and will not be registered under the U.S. Securities Act or any United States state securities laws and may not be offered or sold in the United States, except pursuant to transactions that are exempt from or otherwise not subject to the registration requirements of the U.S. Securities Act or any United States state securities laws. The Underwriter, its U.S. Affiliate, and any of their respective affiliates or persons acting on their behalf, has offered and sold and will offer and sell the Securities only (i) outside the United States to non-U.S. Persons in an Offshore Transaction in accordance with Rule 903 of Regulation S, or (ii) in the United States or to U.S. Persons pursuant to the terms and conditions set forth in Rule 144A under the U.S. Securities Act and exemptions from (or in compliance with) applicable state securities laws. Accordingly, neither the Underwriter, nor its U.S. Affiliate, nor any persons acting on its or their behalf: (i) have engaged or will engage in any Directed Selling Efforts; or (ii) except as permitted by this Schedule "A", have made or will make any offers to sell Securities in the United States or (iii) any sale of Securities unless at the time the purchaser made its buy order therefor, the Underwriter, its U.S. Affiliate or other person acting on any of their behalf reasonably believed that such purchaser was outside the United States and was not a U.S. Person;

(b) It acknowledges that any Securities sold in the United States will first be purchased by the Underwriters or their U.S. Affiliates and resold in the United States and to U.S. Persons in accordance with the provisions of this Schedule “A” and Rule 144A under the U.S. Securities Act;

(c) It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Securities, except with its U.S. Affiliate, any Selling Firm or with the prior written consent of the Company; and

(d) It shall require its U.S. Affiliate and each Selling Firm to agree, for the benefit of the Company, to comply with, and shall use its best efforts to ensure that its U.S. Affiliate and each Selling Firm complies with, the provisions of this Schedule “A” as if such provisions applied to such U.S. Affiliate and such Selling Firm.

2. All offers and sales of the Securities in the United States and to U.S. Persons will be made only to Qualified Institutional Buyers in transactions that are exempt from registration under the U.S. Securities Act and any applicable state securities laws and will be effected by its U.S. Affiliate in accordance with all applicable U.S. federal and state broker-dealer requirements. Such U.S. Affiliate is, and will be on the date of each offer and sale of Securities in the United States, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and the securities laws of each state in which such offer or sale is made (unless exempted from the respective state’s broker-dealer registration requirements) and a member of and in good standing with the Financial Industry Regulatory Authority, Inc.;

3. Offers and sales of Securities in the United States and to U.S. Persons shall not be made by any form of General Solicitation or General Advertising ;

4. Immediately prior to soliciting offerees, the Underwriter had reasonable grounds to believe and did believe that each offeree was a Qualified Institutional Buyer, and at the time of completion of each sale to a person in the United States or to a U.S. Person, the Underwriter, its U.S. Affiliate, and any person acting on its or their behalf will have reasonable grounds to believe and will believe, that each purchaser purchasing Securities from such Underwriter or its U.S. Affiliate is a Qualified Institutional Buyer;

5. All purchasers of the Securities in the United States and U.S. Persons shall be informed that the Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and are being offered and sold to such purchasers in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder, and that certificates representing the Securities shall bear a legend substantially to the following effect:

> “THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF BSM TECHNOLOGIES INC. (THE “CORPORATION”) THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S (“REGULATION S”) UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE CANADIAN LOCAL LAWS AND REGULATIONS, IF AVAILABLE, (C) IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE

WITH APPLICABLE STATE SECURITIES LAWS, (D) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT; OR (E) IN A TRANSACTION THAT IS OTHERWISE EXEMPT FROM OR DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) ABOVE, A WRITTEN CERTIFICATION OR OTHER EVIDENCE SATISFACTORY TO THE CORPORATION, ACTING REASONABLY, OR IN THE CASE OF TRANSFERS PURSUANT TO (D) ABOVE, WHICH ALSO INCLUDES A LEGAL OPINION ACCEPTABLE TO THE CORPORATION, ACTING REASONABLY, MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.";

6. Each offeree in the United States or U.S. Person shall be provided with the U.S. Placement Memorandum including the Preliminary Prospectus and/or the Final Prospectus, and each purchaser will have received prior to the time of purchase of any Securities the final U.S. Placement Memorandum including the Final Prospectus (no other written materials may be used in connection with the offer or sale of the Securities in the United States), and each purchaser in the United States or U.S. Person will be deemed to have provided the representations, warranties and covenants contained in the final U.S. Placement Memorandum under "Notice to Qualified Institutional Buyers";

7. At closing, each Underwriter selling to purchasers in the United States or U.S. Persons, together with each U.S. Affiliate selling Securities in the United States or to U.S. Persons, will provide a certificate, substantially in the form of Exhibit to this Schedule "A" relating to the manner of the offer and sale of the Securities in the United States or will be deemed to have represented and warranted to the Company that neither it nor its affiliates offered or sold Securities in the United States or to U.S. Persons;

8. At least one Business Day prior to the Closing Date, each Underwriter selling to purchasers in the United States or U.S. Persons, shall provide the Company with a list of all purchasers of Securities in the United States, including their address of residence and the amount of Securities sold to such purchaser.

9. Each U.S. Affiliate of an Underwriter that is purchasing the Securities in the United States is a Qualified Institutional Buyer; and

10. None of it, its U.S. Affiliate or any person acting on their respective behalf has taken or will take , directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of Securities in the United States.

Exhibit A

UNDERWRITERS' CERTIFICATE

In connection with the private placement in the United States of Purchased Shares or any Additional Shares (the "**Securities**") of BSM Technologies Inc. (the "**Company**"), pursuant to the Underwriting Agreement dated as of January 22, 2014 among the Company and the Underwriters named therein (the "**Underwriting Agreement**"), the undersigned Underwriter and its United States broker-dealer affiliate (the "**U.S. Affiliate**") do hereby certify that:

(a) the U.S. Affiliate was on the date of each offer or sale of Securities we made in the United States, and is on the date hereof, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and the securities laws of each state in which such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements) and a member of and in good standing with the Financial Industry Regulatory Authority, Inc.;

(b) all offers and sales of the Securities made by us in the United States were made by the U.S. Affiliate in compliance with all applicable U.S. federal and state broker-dealer requirements;

(c) each offeree in the United States was provided with a copy of the U.S. Placement Memorandum including the Preliminary Prospectus and/or Final Prospectus, as applicable, and each purchaser in the United States was provided with a copy of the U.S. Placement Memorandum, including the Final Prospectus, in each case relating to the Securities, and no other written material was used in connection with the offer and sale of the Securities in the United States;

(d) immediately prior to our transmitting the U.S. Placement Memorandum to any person in the United States, we had reasonable grounds to believe and did believe, based on a pre-existing relationship, that each such offeree was a Qualified Institutional Buyer, and, on the date hereof, we continue to believe that each purchaser of Securities in the United States is a Qualified Institutional Buyer;

(e) no form of general solicitation or general advertising (as those terms are used in Rule 502(c) of Regulation D under the U.S. Securities Act) was used by us, including without limitation, advertisements, articles, notices or other communications published on the internet or in any newspaper, magazine or similar media or broadcast over the internet, radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising or in any other manner involving a public offering within the meaning of Section 4(2) of the U.S. Securities Act;

(f) the offering of the Securities in the United States has been conducted by us in accordance with the Underwriting Agreement, including Schedule "A" thereto.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement, including Schedule “A” thereto, unless otherwise defined herein.

Dated this ___ day of January, 2014.

<*Underwriter>

By: ______________________________
Name:
Title:

<*U.S. Affiliate>

By: ______________________________
Name:
Title:

SCHEDULE “B”

OUTSTANDING CONVERTIBLE SECURITIES AND SHARES RESERVED FOR ISSUANCE

*This is Schedule “B” to the Underwriting Agreement dated January 22, 2014 between BSM Technologies Inc. (the “**Company**”), Clarus Securities Inc., Paradigm Capital Inc., Canaccord Genuity Corp., Cormark Securites Inc. and TD Securities Inc.*

STOCK OPTIONS OUTSTANDING

There are options outstanding to purchase an aggregate of 2,065,243 common shares of the Company, granted between May 2005 and January 2014, with expiry dates ranging between February 2014 and January 2019 and exercise prices ranging from $0.943 to $3.21 per common share of the Company.

COMMON SHARES RESERVED

There are common shares reserved for issuance in connection with the acquisition of AutoVision Wireless Inc. (“**Autovision**”). Pursuant to the terms of the Share Purchase Agreement dated May 31, 2013 between Devanha Holdings Ltd., 0856918 B.C. Ltd., Mukhtar Rahemtulla, The Mukhtar Rahemtulla (2032) Family Trust, France Plourde and HT Insights Holdings Inc. and the Company , the issuance of 714,286 common shares of the Company in year one is subject to AutoVision attaining service revenue of $5,000,000; the issuance of 714,286 common shares of the Corporation in year two is subject to AutoVision attaining service revenue of $5,500,000; and the issuance of 714,286 common shares of the Corporation in year three is subject to AutoVision attaining service revenue of $5,500,000.

There are otherwise no other securities of the Company issued and outstanding as of such date.