W3 SOLUTIONS INC.
2005 STOCK OPTION PLAN

1. The Plan

A stock option plan (the "Plan"), pursuant to which options to purchase common shares, or such other shares as may be substituted therefor ("Shares"), in the capital of W3 SOLUTIONS INC. (the "Corporation") may be granted to the directors, officers and key employees of the Corporation and to consultants retained by the Corporation, is hereby established on the terms and conditions set forth herein.

2. Purpose

The purpose of this Plan is to advance the interests of the Corporation by encouraging the directors, officers and key employees of the Corporation and consultants retained by the Corporation to acquire Shares, thereby: (i) increasing the proprietary interests of such persons in the Corporation; (ii) aligning the interests of such persons with the interests of the Corporation's shareholders generally; (iii) encouraging such persons to remain associated with the Corporation and (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation.

3. Definitions

(a) In this Plan, unless there is something in the subject matter or context inconsistent therewith:

(i) "Affiliate" means, with respect to any entity, corporation, partnership, association, trust or other entity or organization directly or indirectly controlled by, controlling or under common control with such entity, and, for the purposes of this definition, "control" will mean (i) the possession, directly or indirectly, of the power to direct the management or policies of any such entity or to veto any material decision relating to the management or policies of such entity, in each case whether through the ownership of voting securities, by contract or otherwise, or (ii) direct or indirect beneficial ownership of 50% or more of the voting stock or other securities of, or a 50% or greater interest in the income of, such entity, or such other relationship as, in fact constitutes actual control;

(ii) "Board" means the board of directors of the Corporation as established from time to time, and any committee or offer to which the Board has, fully or partially, delegated responsibility or authority relating to the Plan or the administration and operation of the Plan;

(iii) "Continuous Status as a director, officer, employee or consultant" means the absence of any interruption or termination of service as an officer or employee of the Corporation or in the relationship as a director or consultant of the Corporation, as determined by the Board in its sole discretion, but no interruption or termination will be deemed to have occurred in the case of sick leave or any other leave of absence approved of by the Board, provided that either such leave is for a period of not more than 90 days or reemployment upon the expiration of such leave is provided or guaranteed by contract or law;

(iv) "Exchange" means, collectively, the TSX Venture Exchange, any successor thereto and any other exchange or trading facilities through which the Corporation' s Shares trade or are quoted at the relevant time;

(v) "Fair Market Value" means the closing price of the Shares on the TSX Venture Exchange on the day immediately preceding the day of the grant;

(vi) "Incentive Stock Option" means an Option granted under the Plan that is intended to meet the requirements of Section 422 of the U.S. Code, as amended from time to time;

(vii) "Key Person" means the person which may be designated by the Board as the key person of a consultant providing ongoing valuable services under a consulting contract with the Corporation or any Affiliate;

(viii) "Nonqualified Stock Option" means an Option granted to a Participant that does not qualify as an Incentive Stock Option;

(ix) "Option" means an option entitling the holder thereof to purchase Shares as described herein including, without limitation, an Incentive Stock Option, granted to a Participant pursuant to the terms and conditions hereof and as evidenced by an Option Agreement;

(x) "Option Agreement" means an agreement evidencing an Option, entered into by and between the Corporation and a Participant;

(xi) "Option Exercise Price" means the price per Share at which an Participant may purchase Shares pursuant to an Option, provided that if such price is adjusted pursuant to Section 19 hereof, "Option Exercise Price" thereafter means the price per Share at which such Participant may purchase Shares pursuant to such Option after giving effect to such adjustment;

(xii) "Option Period" has that meaning set forth in Section 11 hereof;

(xiii) "Participant" has that meaning contained in Section 7 hereof;

(xiv) "Plan" means this stock option plan, as it may be amended, modified or restated from time to time pursuant to and in accordance with the provisions hereof;

(xv) "Shares" has that meaning contained in Section 1 hereof;

(xvi) "U.S." or "United States" means the United States of America (including each of the States and the District of Columbia) and its territories and possessions and other areas subject to its jurisdiction;

(xvii) "U.S. Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time; and

(xviii) "U.S. Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended from time to time.

4. **Administration**

(a) This Plan will be administered by the Board. Notwithstanding the foregoing or any other provision contained herein, the Board will have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board or to the President or any other officer of the Corporation.

(b) The Board is authorized, subject to the provisions of this Plan, to establish from time to time such rules and regulations, make such determinations and to take such steps in connection with this Plan as in the opinion of the Board are necessary or desirable for the proper administration of this Plan. For greater certainty, without limiting the generality of the foregoing, the Board will have the power, where consistent with the general purpose and intent of this Plan and subject to the specific provisions of this Plan and any approval of the Exchange, if applicable:

(i) to interpret and construe this Plan, any Option and any Option Agreement and to determine all questions arising out of this Plan, any Option and any Option

Agreement, and any such interpretation, construction or termination made by the Board will be final, binding and conclusive for all purposes;

(ii) to determine to which Participants Options are granted, and to grant Options;

(iii) to determine the number of Shares covered by each Option;

(iv) to determine the Option Exercise Price for each Option;

(v) to determine the time or times when Options will be granted, vest and be exercisable and to determine when it is appropriate to accelerate when Options otherwise subject to vesting may be exercised;

(vi) to determine if the Shares that are subject to an Option will be subject to any restrictions upon the exercise of such Option including, where applicable, the endorsement of a legend on any certificates representing Shares acquired on the exercise of any Option to the effect that such Shares may not be offered, sold, delivered except in compliance with the applicable securities laws and regulations of Canada, the United States or any other applicable country;

(vii) to determine the expiration date for each Option and to extend the period of time for which any Option is to remain exercisable in appropriate circumstances, including, without limitation, in the event of the Participant's cessation of service or in the event of a prolonged Corporation-mandated trading restriction period, provided in no event will an Option be exercisable for more than five years from the date of grant;

(viii) to prescribe the form of the instruments relating to the grant, exercise and other terms of Options;

(ix) to enter into an Option Agreement evidencing each Option which will incorporate such terms as the Board in its discretion deems consistent with this Plan;

(x) to determine, where necessary, the Key Person pursuant to a consulting contract as the person providing the services thereunder;

(xi) to adopt such modifications, procedures and subplans as may be necessary or desirable to comply with the provisions of the laws of Canada, the United States and other countries in which the Corporation or its Affiliates may operate to assure the viability and maximization of the benefits from the Options granted to Participants residing in such countries and to meet the objectives of the Plan; and

(xii) to determine such other matters as provided for herein.

5. <u>Shares Subject to Plan</u>

(a) Subject to Section 19 hereof, the securities that may be acquired by Participants upon the exercise of Options will consist of authorized but unissued Shares. Whenever used herein, the term "Shares" will be deemed to include any other securities that may be acquired by a Participant upon the exercise of an Option the terms of which have been modified in accordance with Section 19 hereof.

(b) The aggregate number of Shares reserved for issuance under this Plan, subject to adjustment or increase of such number pursuant to the provisions of this Plan, will not exceed 4,766,970 Shares unless the Corporation receives the permission of the Exchange to change such threshold.

(c) If any Option granted under this Plan will expire or terminate for any reason without having been exercised in full, any unpurchased Shares to which such Option relates will be available for the purposes of the granting of Options under this Plan.

(d) No fractional Shares may be purchased or issued under this Plan.

6. Maintenance of Sufficient Capital

The Corporation will at all times during the term of this Plan ensure that the number of Shares it is authorized to issue will be sufficient to satisfy the Corporation's obligations under all outstanding Options granted pursuant to this Plan.

7. Eligibility and Participation

(a) The Board may, in its discretion, select any of the following persons to participate in this Plan:
   (i) directors of the Corporation or any Affiliate;
   (ii) officers of the Corporation or any Affiliate;
   (iii) key employees of the Corporation or any Affiliate; and
   (iv) consultants retained by the Corporation or any Affiliate, provided such consultants have performed and/or continue to perform services for the Corporation on an ongoing basis or are expected to provide a service of value to the Corporation, (any such person having been selected for participation in this Plan by the Board is herein referred to as a "Participant").

(b) The Board may from time to time, in its discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein, provided that Options granted to any Participant will be approved by the shareholders of the Corporation if the rules of any Exchange require such approval.

8. Option Exercise Price

The Board will, at the time an Option is granted under this Plan, fix the Option Exercise Price at which Shares may be acquired upon the exercise of such Option provided that the Option Exercise Price will not be less than that from time to time permitted under the rules of the Exchange and will be subject to adjustment pursuant to Section 19 hereof. Disinterested shareholder approval is required for any reduction in exercise price of an option granted to an insider.

9. Number of Optioned Shares

The number of Shares that may be acquired under an Option granted to a Participant will be determined by the Board as at the time the Option is granted, provided that the aggregate number of Shares reserved for issuance to any one Participant under this Plan or any other plan of the Corporation, will not exceed 5% of the total number of issued and outstanding Shares unless the Corporation receives the permission of the Exchange to exceed such threshold. The aggregate number of options granted to either:

(a) any one consultant; or
(b) any employee conducting investor relations activities (within the meaning of the Exchange’s policies);

cannot exceed 2% of the Corporation’s issued Common Shares within any 12 month period.

10. Option Agreement

Each Option granted pursuant to this Plan will be evidenced by an Option Agreement executed by the Participant and the Corporation. The Board may, with the written consent of the Participant, amend any Option Agreement to the extent that the Board, acting in its discretion, deems consistent with the terms of this Plan.

11. Term

The period during which an Option may be exercised (the "Option Period") will be determined by the Board at the time the Option is granted, subject to minimum vesting limitations as imposed by the TSX Venture Exchange Policy 4.4, which are to be imposed by the Board at the time such Option is granted and Section 14 below, provided that:

(a) no Option will be exercisable for a period exceeding five years from the date the Option is granted unless otherwise specifically provided by the Board and authorized by the Exchange; and

(b) no Option is respect of which shareholder approval is required under the rules of Exchange will be exercisable until such time as the Option has been approved by the shareholders of the Corporation.

12. Incentive Stock Option Provisions (United States)

To the extent required by Section 422 of the U.S. Code, Incentive Stock Options will be subject to the following additional terms and conditions:

(a) Only individuals who are employees of the Corporation or one of its subsidiary corporations may be granted Incentive Stock Options. For purposes of this Section 12.1, “Subsidiary Corporation” has the meaning attributed to that term for purposes of Section 422 of the Code.

(b) To the extent the aggregate Fair Market Value (determined as at the grant date of an Option) of Shares with respect to which Incentive Stock Options are exercisable for the first time during any calendar year (under this Plan and all other incentive equity plans of the Corporation) exceeds US$100,000, such portion in excess of US$I 00,000 will be treated as a Nonqualified Stock Option. In the event an Participant holds two or more Options that become exercisable for the first time in the same calendar year, this limitation will be applied on the basis of the order in which the Options were granted.

(c) If an individual owns more than 10% of the total voting power of all classes of the Corporation's securities (as determined in accordance with Section 422 of the U.S. Code), then the Option Exercise Price for each Incentive Stock Option will not be less than 110% of the Fair Market Value on the grant date of an Option and the term of the Option will not exceed five years. The determination of more than 10% ownership will be made in accordance with Section 422 of the U.S. Code.

(d) An Option designated as an Incentive Stock Option will cease to qualify for favourable tax treatment as an Incentive Stock Option to the extent it is exercised (if permitted by the terms of the Option):

    (i) more than three months after termination of employment for reasons other than death or disability (as defined for purposes of Section 422 of the Code);

    (ii) more than one year after termination of employment by reason of disability (as defined for purposes of Section 422 of the Code); or

(iii) after the Participant has been on a leave of absence for more than 90 days, unless the Participant's reemployment rights are guaranteed by statute or contract.

(e) An Option designated as an Incentive Stock Option will cease to qualify Incentive Stock Options may not be transferred by any Participant other than by will or the laws of descent and distribution and, during the Participant's lifetime, are exercisable only by the Participant.

(f) In order to obtain certain U.S. federal tax benefits afforded to incentive stock options under Section 422 of the U.S. Code, the Participant must hold the Shares issued upon the exercise of an Incentive Stock Option for two years after the grant date of the Option and one year from the date of exercise. A Participant may be subject to the alternative minimum tax at the time of exercise of an Incentive Stock Option. The Participant will give the Corporation prompt notice of any disposition of Shares acquired by the exercise of an Incentive Stock Option prior to the expiration of such holding periods.

(g) In the case of any conflict between the terms of this Section 12 and the terms of any other provision of this Plan with respect to the granting of Incentive Stock Options, this Section will govern.

13. <u>Method of Exercise of Option</u>

(a) Except as set forth in Section 14 hereof or as otherwise determined by the Board, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a director, officer, employee or consultant of the Corporation or any Affiliate.

(b) Options that are otherwise exercisable in accordance with the terms thereof may be exercised in whole or in part from time to time.

(c) Any Participant (or his or her legal, personal representative) wishing to exercise an Option will deliver to the Corporation, at its principal office at 1455 Be1levue Avenue, West Vancouver, British Columbia, V7T 1C3, addressed to the attention of the Chief Financial Officer (or such other place as may be determined by the Board and for which notice has been given to holders of outstanding Options):

(i) written notice expressing the intention of such Participant (or, where appropriate, his or her legal, personal representative) to exercise his or her Option and specifying the number of Shares in respect of which the Option is exercised; and

(ii) a cash payment, certified cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised or such other consideration as the Board may permit consistent with applicable laws.

(d) Any Participant (or his or her legal, personal rep upon the exercise of an Option as aforesaid, the Corporation will use reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his or her legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares in respect of which the Option has been duly exercised.

(e) The Participant will be solely responsible for paying any applicable withholding taxes arising from the grant, vesting or exercise of any Option and payment is to be made in a manner satisfactory to the Corporation. Notwithstanding the foregoing, the Corporation will have the right to withhold from any Option or any Shares issuable pursuant to an Option or from any cash amounts otherwise due or to become due from the Corporation to the Participant, an amount equal to any such taxes.

(f) Notwithstanding any of the provisions contained in this Plan or in any Option, the Corporation's obligation to issue Shares to an Participant pursuant to the exercise of an Option will be subject to:

(i) completion of such registration or other qualification of such Shares or obtaining approval of such governmental authority as the Corporation will determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;

(ii) the admission of such Shares to listing or quotation on the Exchange; and

(iii) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Corporation or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

14. Earlier Termination of Options

(a) Unless otherwise provided in this Plan, each Option will terminate on the earlier of 4:00 p.m. (Vancouver time) on the 90th day after the date on which the Participant ceases to be a director, officer, employee or consultant of the Corporation or any Affiliate or the expiry of the Option unless otherwise determined by the Board at the time of cessation, provided that:

(i) if the Participant or a Key Person dies while an Option is otherwise exercisable, all Options of such Participant or Key Person will become immediately vested and will be exercisable by the legal personal representatives of the estate of the Participant or Key Person, as the case may be, during a period of the earlier of:

(A) 12 months following the date of death, or

(B) the expiry of the Option Period, unless otherwise determined by the Board and approved by the Exchange, if applicable; and

(ii) if the Participant is terminated as an employee, officer or consultant of the Corporation or any Affiliate for cause, or if an Option was issued to a corporation controlled by a director, officer, employee or individual consultant of the Corporation and such person no longer controls that corporation, all Options will expire automatically on the date that such Participant ceases to be an employee or officer or consultant of the Corporation or any Affiliate or ceases to control such corporation, as the case may be, unless otherwise determined by the Board and approved by the Exchange, if applicable.

(b) An Option will cease to vest after the date on which an Participant ceases to be a director, officer, employee or consultant of the corporation or any Affiliate, unless otherwise determined by the Committee and approved by the Exchange, if applicable.

(c) A change in the office, position or duties of an Participant from the office, position or duties held by such Participant on the date on which the Option was granted to such Participant will not result in the termination of the Option granted to such Participant provided that such Participant remains a director, officer, employee or consultant of the Corporation or any Affiliate.

15. Rights of Participants

No person entitled to exercise any Option granted under this Plan will have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until such Shares have been paid for in full and issued to such person.

16. No Effect on Employment

Nothing in this Plan or any Option Agreement will confer upon any Participant any right to continue in the employ of or under contract with the Corporation or any Affiliate or affect in any way the right of the Corporation or any such Affiliate to terminate his or her employment at any time or terminate his or her consulting contract; nor will anything in this Plan or any Option Agreement be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any such Affiliate to extend the employment of any Participant beyond the time that he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate or any present or future retirement policy of the Corporation or any Affiliate, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Affiliate.

17. Right to Issue Other Shares

The Corporation will not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

18. Proceeds from Exercise of Options

The proceeds from any sale of Shares issued upon the exercise of Options will be added to the general funds of the Corporation and will thereafter be used from time to time for such corporate purposes as the Board may determine and direct.

19. Adjustments

(a) The number of Shares subject to the Plan will be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares of the Corporation, and in any such event a corresponding adjustment will be made to the number of Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share that may be acquired upon the exercise of the Option.

(b) Adjustments under this Section 19 will be made by the Board, whose determination as to what adjustments will be made, and the extent thereof, will be final, binding and conclusive. No fractional Shares will be issued upon the exercise of an Option following the making of any such adjustment.

(c) Any dispute that arises at any time with respect to any such adjustment will be conclusively determined by the Board, and any such determination will be final and binding on the Corporation, the Participant and all other affected parties, subject to the approval of the Exchange, if applicable.

(d) The grant of Options under the Plan will in no way affect the Corporation's right to adjust, reclassify, recognize or otherwise change its capital or business structure or to merge, amalgamate, reorganize, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets or engage in any like transaction.

20. Change of Control

Notwithstanding the provisions of Section 14, in the event of an imminent sale by the Corporation of all or substantially all of its assets or a Change of Control of the Corporation, the Board may, in a fair and equitable manner, determine the manner in which all unexercised Options granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the exercise of such Options by the Participants and of the time for the fulfillment of any conditions or restrictions on such exercise. For the propose of this Agreement, "Change of Control" of the Corporation means and will be deemed to have occurred upon:

(a) the acceptance by the holders of Shares of the Corporation, representing in the aggregate of more than 50% of all issued Shares of the Corporation, of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Shares of the Corporation; or

(b) the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired), directly or indirectly, of beneficial ownership of such number of Shares or rights to Shares of the Corporation, which together with such person's then owned Shares and rights to Shares, if any, represent (assuming the full exercise of such rights to voting securities) more than 50% of the combined voting rights of the Corporation's then outstanding Shares; or

(c) the entering into of any agreement by the Corporation to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation; or

(d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets or wind-up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and where the shareholdings remain substantially the same following the re-arrangement); or

(e) individuals who were members of the Board of the Corporation immediately prior to a meeting of the shareholders of the Corporation involving a contest for or an item of business relating to the election of directors, not constituting a majority of the Board following such election.

21. Transferability

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan will be non-transferable and non-assignable unless specifically provided herein. During the lifetime of a Participant, any Options granted hereunder may only be exercised by the Participant and in the event of the death or permanent disability of a Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or applicable law.

22. Amendment and Termination of Plan

(a) The Board may, at any time, suspend or terminate this Plan. The Board may also, at any time, amend or revise the terms of this Plan, subject to the receipt of all necessary regulatory approvals, provided that no such amendment or revision will alter the terms of any Options previously granted under this Plan without the consent of the applicable Participant.

(b) The full powers of the Board as provided for in this Plan will survive the termination of this Plan until all Options granted under this Plan have been exercised in full or have otherwise expired.

23. Necessary Approvals

The obligation of the Corporation to issue and deliver Shares in accordance with this Plan and Options granted hereunder is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to a Participant upon the exercise of an Option for any reason whatsoever, the obligation of the Corporation to issue such Shares will terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the relevant Participant as soon as practicable.

24. Notice

Any notice required to be given by this Plan will be in writing and will be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission addressed, if to the Corporation, at its principal address at 1455 Bellevue Avenue, West Vancouver, British Columbia, V7T lC3 in Vancouver, British Columbia (or such other address as the Board may determine and for which notice thereof is given to holders of Options), Attention: Chief Financial Officer; or if to a Participant, to such Participant at his or her address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing then to the last known address of such Participant; or if to any other person, to the last known address of such person.

25. Interpretation

References herein to any gender include all genders and to the plural includes the singular and vice versa. The division of this Plan into Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Plan.

This Plan will be governed by and construed in accordance with the laws of the Province of Alberta.

Dated this 18th day of May, 2005.

W3 SOLUTIONS INC.

Per: *"Scott S. Walker"*________
Authorized Signatory