UNDERWRITING AGREEMENT

March 10, 2006

Wellpoint Systems Inc.
500-4th Ave. SW
Suite 2000, Altius Centre
Calgary, Alberta T2P 2V6

Attention: Frank Stanford, Chief Executive Officer

Dear Sirs:

Re: Private Placement of Units

The undersigned, Northern Securities Inc. (the "**Underwriter**"), understands that Wellpoint Systems Inc. (the "**Corporation**") proposes to issue and sell (the "**Offering**") units (the "**Units**") comprised of one common share in the capital of the Corporation (a "**Unit Share**") and one-half of one common share purchase warrant (each whole warrant being referred to herein as a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire one Common Share (as defined herein) in the capital of the Corporation at an exercise price of $0.62 per share at any time until 5:00 p.m. (Calgary time) on the second anniversary of their issuance.

Upon and subject to the terms and conditions set forth herein, the Underwriter hereby agrees to purchase from the Corporation, an aggregate of 8,000,000 Units at a price of $0.50 per Unit (the "**Purchase Price**") for an aggregate purchase price of $4,000,000. It is understood that the Underwriter intends to arrange for substituted purchasers for the Units at the Purchase Price, resident in the Qualifying Provinces (as hereinafter defined) in which case the Corporation will sell such Units (or part thereof) to such substituted purchasers and the Underwriter's obligation to purchase the Units shall be rateably reduced.

In addition, the Corporation has granted the Underwriter an option (the "**Over-Allotment Option**") exercisable until the 30th day following the Closing Date to acquire up to an additional 2,000,000 Units at a price per Unit equal to the Purchase Price.

The Underwriter shall be entitled to appoint a selling group consisting of other registered dealers acceptable to the Corporation for the purposes of arranging for substituted purchasers of the Units.

In consideration of the services to be rendered by the Underwriter in connection with their services hereunder and all other matters in connection with the issue and sale of the Units, the Corporation shall pay to the Underwriter at Closing (as hereinafter defined) a cash commission (the "**Commission**") equal to 8% of the gross proceeds realized by the Corporation in respect of the sale of the Units. The obligation of the Corporation to pay the Commission shall arise at the Closing Time (as hereinafter defined) and the Commission shall be fully earned by the Underwriter at that time. As additional compensation for the services provided, the Corporation will grant to the Underwriter compensation options (the "**Compensation Options**") to purchase a number of Broker's Units (as defined herein) equal to 10% of the number of Units sold (including any Units sold pursuant to the over-allotment option), each such Broker's Unit comprised of one Broker's Share (as defined herein) and one-half of one Broker's Warrant (as defined herein). The Compensation Options may be exercised, in whole or in part, at a price of $0.50 per Broker Unit (as defined herein), at any time during the period commencing on the Closing Date and ending at 5:00 p.m. (Calgary time) on the second anniversary of the issuance of the Compensation Options, subject to receipt of regulatory approval.

The terms and conditions of this Agreement are as follows:

1. Definitions and Interpretation

(a) Definitions: Whenever used in this Agreement:

(i) "**Alberta Act**" means the *Securities Act* (Alberta) and the regulations thereunder, together with the instruments, policies, rules, orders, codes, notices and interpretation notes of the ASC, as amended, supplemented or replaced from time to time;

(ii) "**ASC**" means the Alberta Securities Commission;

(iii) "**Agreement**" means the agreement resulting from the acceptance by the Corporation of the offer made by the Underwriter herein, including the schedules attached hereto, as amended or supplemented from time to time;

(iv) "**Ancillary Documents**" means all agreements, indentures, certificates and documents executed and delivered, or to be executed and delivered, by the Corporation in connection with the transactions contemplated by this Agreement or the Subscription Agreements;

(v) "**Auditor**" means KPMG LLP, Chartered Accountants, the auditor of the Corporation;

(vi) "**Broker's Shares**" means the Common Shares comprising part of the Broker's Units;

(vii) "**Broker's Warrants**" means the non-transferable Warrants comprising part of the Broker's Units;

(viii) "**Broker's Warrant Shares**" means the Common Shares issuable upon the due exercise of the Broker's Warrants;

(ix) "**Broker's Units**" means the Units issuable upon the due exercise of the Compensation Options, each Broker's Unit being comprised of one Broker's Share and one Broker's Warrant;

(x) "**Business Day**" means a day which is not a Saturday, Sunday or a statutory or civic holiday in the City of Calgary, Province of Alberta;

(xi) "**Closing**" means the purchase and sale of the Units subscribed for by the Purchasers pursuant to the Subscription Agreements;

(xii) "**Closing Date**" means March 10, 2006 or such other date or dates as the Corporation and the Underwriter may mutually agree upon in writing;

(xiii) "**Closing Time**" means 9:00 a.m. (Calgary time) on the Closing Date or such other time on the Closing Date as the Corporation and the Underwriter may agree upon in writing;

(xiv) "**Common Shares**" means the common shares which the Corporation is authorized to issue as constituted on the date hereof;

(xv) "**Compensation Options**" means the options to be granted by the Corporation to the Underwriter as compensation in connection with the Offering entitling the Underwriter to acquire that number of Broker's Units equal to 10% of the number of Units sold pursuant to the Offering with such Compensation Options being exercisable at any time for a period of 24 months from the Closing Date at an exercise price of $0.50 per Broker's Unit;

(xvi) "**Copyright**" means all present and future domestic and foreign copyrights, and associated performance rights, neighbouring rights and ephemeral rights of or relating to the Corporation and the Subsidiaries, whether registered or not;

(xvii) "**Corporation**" means Wellpoint Systems Inc., a corporation organized under the *Business Corporations Act* (Alberta);

(xviii) "**Enforceability Qualifications**" means the qualifications that enforcement may be limited by limitations contained in the *Limitations Act* (Alberta), by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally, that equitable remedies may be granted in the discretion of a court of competent jurisdiction, that rights of indemnity, contribution and waiver of contribution may be limited under applicable law, and that the enforceability of provisions in an agreement which purport to sever from such agreement any provision which is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of such agreement would be determined only in the discretion of a court;

(xix) "**IDEAS Acquisition**" means the purchase by the Corporation through WPS Systems, Inc. of all the issued and outstanding shares of Ideas International, Inc.;

(xx) "**IDEAS Acquisition Agreement**" means the agreement dated March 2, 2006 among the Corporation, WPS Systems, Inc., IDEAS International, Inc. and all the shareholders of IDEAS International, Inc. with respect to the IDEAS Acquisition;

(xxi) "**Intellectual Property**" means all present and future intellectual property of the Corporation and the Subsidiaries and all rights of the Corporation and the Subsidiaries therein, throughout the universe, whether registered or unregistered, including without limitation:

A. all Copyright, including all applications and registrations of such copyrights;

B. all Trade Marks;

C. all Patents; and

D. the Technology

(xxii) "**material adverse effect**" when used in connection with an entity means any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable), event, violation, inaccuracy, circumstance or effect that is materially adverse to the business, assets (including intangible assets), liabilities, capitalization, financial condition, profitability or results of operations, taken as a whole, of the entity;

(xxiii) "**Offering**" means the offering for sale by the Corporation on a private placement basis of the Units;

(xxiv) "**Offering Jurisdictions**" means the Provinces of British Columbia, Alberta and Ontario and such other provinces and territories of Canada and other jurisdictions as may be mutually agreed upon by the Underwriter and the Corporation;

(xxv) "**Over-Allotment Option**" means the option, exercisable by the underwriter until the 30th day following the initial Closing Date, to acquire up to an additional 2,000,000 Units at the Purchase Price;

(xxvi) "**Patents**" means individually and collectively, all present and future inventions, formulae, processes, business methods, trade secrets, patentable subject matter and industrial design subject matter, and all present and future patent and industrial design applications and registrations therefor, and general intangibles of a like nature owned by the Corporation or the Subsidiaries from time to time, and (i) all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (ii) all improvements, modifications and amendments made thereon or thereto, (iii) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past and future infringement thereof, (iv) the right to sue for past, present and future infringements thereof, and (v) all rights corresponding thereto throughout the universe;

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

(xxviii) "**Public Information**" means all information regarding the Corporation and the Subsidiaries that was or is made publicly available by the Corporation together with all information prepared by the Corporation and provided to potential purchasers of the Units, if any, and includes, but is not limited to, all material change reports and press releases of the Corporation;

(xxix) "**Purchase Price**" means the price to be paid by the Purchasers for each Unit, being $0.50 per Unit;

(xxx) "**Purchasers**" means the Underwriter or the substituted purchasers of the Units;

(xxxi) "**Reporting Provinces**" means the Provinces of Alberta and British Columbia, collectively;

(xxxii) "**Securities Laws**" means the securities legislation and regulations of, and the instruments, policies, rules, orders, codes, notices and interpretation notes of the applicable securities regulatory authority or authorities (including the Stock Exchange) of, the Offering Jurisdictions or the Reporting Provinces, individually or collectively, as the context permits or requires;

(xxxiii) "**Securities Commissions**" means the securities regulatory authorities in the Offering Jurisdictions, collectively;

(xxxiv) "**Stock Exchange**" means the TSX Venture Exchange;

(xxxv) "**Subscription Agreements**" means the subscription agreements to be entered into between the Corporation and Purchasers with respect to the purchase of the Units;

(xxxvi) "**Subsidiaries**" means Wellpoint Systems, Inc. and WPS Systems, Inc.;

(xxxvii) "**Tax Act**" means the *Income Tax Act* (Canada), as amended, re-enacted or replaced from time to time and all rules and regulations made pursuant thereto and proposed amendments to the Tax Act announced on or prior to the Closing Date;

(xxxviii) "**Technology**" means all technology created, developed or acquired by the Corporation and the Subsidiaries whether or not patented or patentable and whether or not fixed in any medium whatsoever, including without limitation, all inventions, know how, techniques, processes, procedures, methods, trade secrets, research and technical data, records, formulae, designs, sketches, patterns, specifications, blue prints, flow charts or sheets, equipment and parts lists and descriptions, samples, reports, studies, findings, algorithms, instructions, guides, manuals, and plans for new or revised products and/or services;

(xxxix) "**Trade Marks**" means the trade marks, trade names, trade styles, service marks, certification marks, prints and labels by the Corporation and the Subsidiaries from time to time and all applications, registrations and recordings thereof in Canada, the United States or elsewhere, including every renewal, reissue or other extension of any registration or recording;

(xl) "**Transfer Agent**" means Olympia Trust Company;

(xli) "**Underlying Securities**" means the Unit Shares and Warrants comprising the Units;

(xlii) "**Underwriter**" means Northern Securities Inc.;

(xliii) "**United States**" has the meaning ascribed to that term in Regulation S of the U.S. Securities Act of 1933;

(xliv) "**Units**" means an aggregate of 8,000,000 Units, to be issued and sold at the applicable Purchase Price under the Offering;

(xlv) "**Unit Shares**" means the Common Shares comprising part of the Units;

(xlvi) "**U.S. Person**" has the meaning ascribed to that term in Regulation S of the U.S. Securities Act of 1933;

(xlvii) "**Warrants**" means the Common Share purchase warrants comprising part of the Units, each such Warrant entitling the holder thereof to acquire one Warrant Share at an exercise price of $0.62 per share at any time until the 24 month anniversary of the issuance thereof; and

(xlviii) "**Warrant Shares**" means the Common Shares issuable upon the due exercise of the Warrants.

(b) Other Defined Terms: Whenever used in this Agreement, the words and terms "**affiliate**", "**associate**", "**material fact**", "**material change**", "**misrepresentation**", "**senior officer**" and "**subsidiary**" shall have the meaning given to such word or term in the Alberta Act unless specifically provided otherwise herein.

(c) Plural and Gender: Whenever used in this Agreement, words importing the singular number only shall include the plural and *vice versa* and words importing the masculine gender shall include the feminine gender and neuter.

(d) Currency: All references to monetary amounts in this Agreement are to lawful money of Canada.

(e) Schedules: The following schedules are attached to this Agreement and are deemed to be a part of and incorporated in this Agreement:

Schedule	**Title**
A	Officer's Certificate

2. The Offering

(a) Sale on Exempt Basis: The Corporation understands that, although the offer to act as underwriters with respect to the Units is made hereunder by the Underwriter to the Corporation as Purchaser, the Underwriter shall use its commercially reasonable best efforts to arrange for substituted Purchasers for the Units resident in the Offering Jurisdictions and in such other jurisdictions outside of Canada agreed to by the Corporation, provided the sale of the Units to such Purchasers is exempt from any prospectus, registration or offering memorandum filing or delivery requirement or similar requirements of applicable securities laws and is otherwise in compliance with all applicable Securities Laws and all applicable securities laws of such other jurisdictions.

(b) Appointment of Syndicate: The Corporation agrees that, subject to the consent of the Corporation, such consent not to be unreasonably withheld, the Underwriter has the right to invite one or more additional investment dealers to form a syndicate to participate in the soliciting of offers to purchase the Units. The Underwriter shall have the exclusive right to control all compensation arrangements between the members of the syndicate provided that no additional compensation is payable by the Corporation other than as set forth in section 6. The Corporation grants all of the rights and benefits of this Agreement to any investment dealers so appointed by the Underwriter and appoints the Underwriter as trustee of such rights and benefits for such investment dealers, and the Underwriter hereby accepts such trust and agrees to hold such rights and benefits for and on behalf of such investment dealer. The Underwriter shall ensure that any investment dealers appointed pursuant to the provisions of this paragraph or with whom the Underwriter has a contractual relationship with respect to the Offering, if any, agree with the Underwriter to comply with the covenants and obligations given by the Underwriter herein and shall use its commercially reasonable best efforts to cause such investment dealers to ensure that they comply with the terms of this Agreement otherwise applicable to the Underwriter.

(c) Covenants of the Underwriter: The Underwriter covenants with the Corporation that (i) it will comply with all Securities Laws of the Offering Jurisdictions in which it solicits or procures subscriptions for Units in connection with the Offering, (ii) it will not solicit or procure and has not solicited or procured subscriptions for Units so as to require the registration thereof or the filing of a prospectus with respect thereto under the laws of any jurisdiction or such as would result in any ongoing disclosure requirements in a jurisdiction outside of the Reporting Provinces, any registration requirements except for the filing of a notice or report of the solicitation or sale or the Corporation being subject to liability in connection with the sale of the Units which is materially more onerous than its liability under, taken together with, the Securities Laws in the Offering Jurisdictions, and (iii) it will obtain from each Purchaser an executed Subscription Agreement in a form reasonably acceptable to the Corporation and the Underwriter. The Underwriter represents and warrants that it, and, to the best of its knowledge after due inquiry, all members of any syndicate are qualified to so act in the Offering Jurisdictions in which they solicit or procure subscriptions for the Units.

(d) Filings: The Corporation undertakes to file or cause to be filed all forms and undertakings required to be filed by the Corporation in connection with the Offering so that the distribution of the Units may lawfully occur in the Offering Jurisdictions without the necessity of filing a prospectus or an offering memorandum in Canada and the Underwriter undertakes to use its commercially reasonable best efforts to cause the Purchasers of the Units to complete (and it shall be a condition of closing in favour of the Corporation that the Purchasers complete and deliver to the Corporation) any forms and undertakings required by the Securities Laws of the Offering Jurisdictions. All fees payable in connection with such filings shall be at the expense of the Corporation.

(e) No Offering Memorandum: Neither the Corporation nor the Underwriter shall (i) provide to prospective purchasers of Units any document or other material that would constitute an offering memorandum within the meaning of the Securities Laws of the Offering Jurisdictions or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Units, including but not limited to, causing the sale of the Units to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or otherwise, or conduct any seminar or meeting relating to any offer and sale of the Units whose attendees have been invited by general solicitation or advertising.

(f) Non-U.S. Offering: Neither the Corporation, the Underwriter, nor any of their respective Affiliates, nor any person acting on behalf of any of the foregoing, will offer or sell any of the Units to U.S. Persons or in the United States, or undertake any activity for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market for the Units in the United States.

3. Due Diligence

Prior to the Closing Time, the Corporation shall allow the Underwriter to conduct all due diligence investigations, including, without limitation, meeting with senior management of the Corporation and the Auditor, as the Underwriter shall consider appropriate, acting reasonably, in connection with the Offering.

4. Deliveries By Closing Time

(a) Deliveries: By the Closing Time:

(i) all actions required to be taken by or on behalf of the Corporation including, without limitation, the passing of all required resolutions of the directors, including committees of the directors, and shareholders of the Corporation, shall have occurred in order to complete the transactions contemplated by this Agreement and the Subscription Agreements, including, without limitation, to issue the Units and the Compensation Options, and a certified copy of all such resolutions shall have been delivered by the Corporation to the Underwriter;

(ii) the Corporation shall have delivered or caused to be delivered to the Underwriter:

A. favourable legal opinions of counsel to the Corporation and the Subsidiaries and of local counsel acceptable to the Underwriter, addressed to, among others, the Underwriter and the Purchasers, in a form acceptable to the Underwriter and its counsel, acting reasonably,

B. certificates dated the Closing Date signed by an appropriate officer of the Corporation and addressed to, among others, the Underwriter and the Purchasers with respect to the articles and by-laws of the Corporation, the resolutions of the directors and shareholders, if any, of the Corporation and any other corporate action taken relating to this Agreement and the Ancillary Documents and with respect to such other matters as the Underwriter may reasonably request and including specimen signatures of the signing officers of the Corporation,

C. a certificate dated the Closing Date addressed to, among others, the Underwriter and the Purchasers signed by the President and Chief Executive Officer of the Corporation or any other senior officer of the Corporation acceptable to the Underwriter substantially in the form attached hereto as Schedule A and otherwise in form and substance acceptable to the Underwriter,

D. a Subscription Agreement from each Purchaser accepted by the Corporation,

E. definitive certificates representing the Underlying Securities registered in the names of the Purchasers or in such other names as the Purchasers or the Underwriter may direct,

F. definitive certificates representing the Compensation Options registered in the name of the Underwriter or in such other name or names as the Underwriter may direct, and

G. such further documents as may be contemplated by this Agreement or as the Underwriter may reasonably require,

all in form and substance reasonably satisfactory to the Underwriter;

(iii) the Underwriter shall have delivered or caused to be delivered to the Corporation:

A. payment of the aggregate purchase price for the Units purchased by the Purchasers less (i) the fees payable by the Corporation to the Underwriter as provided in Section 6 of this Agreement and (ii) payment of expenses payable by the Corporation to the Underwriter as provided in section 11 of this Agreement, by certified cheque or bank draft payable to the Corporation or as the Corporation may otherwise direct in writing against delivery from the Corporation to the Underwriter of a receipt for the purchase price for such Units,

B. a receipt for the fees payable by the Corporation to the Underwriter as provided in Section 6 of this Agreement and the expenses payable by the Corporation to the Underwriter as provided in section 11 of this Agreement,

C. a Subscription Agreement executed by each Purchaser, and

D. such further documents as may be contemplated by this Agreement or as the Corporation may reasonably require,

all in form and substance satisfactory to the Corporation.

5. <u>Closing</u>

(a) <u>Closing</u>: The Closing shall be completed at the offices of counsel for the Corporation at the Closing Time on the Closing Date.

(b) <u>Conditions of Closing</u>: The following are conditions precedent to the obligations of the Underwriter to complete the Closing and of the Purchasers to purchase the Units, which conditions the Corporation covenants and agrees to use its best efforts to fulfill within the time set out herein therefor, and which conditions may be waived in writing in whole or in part by the Underwriter:

(i) receipt by the Underwriter of the documents set forth in section 4 of this Agreement to be delivered to the Underwriter;

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

(iii) the Corporation having complied with all covenants, and satisfied all terms and conditions, contained herein to be complied with and satisfied by the Corporation at or prior to the Closing Time; and

(iv) the Underwriter not having previously terminated the obligations thereof pursuant to this Agreement.

6. Fee

Commission: In consideration of the agreement of the Underwriter to act as Underwriter of the Corporation in respect of the Offering, and in consideration of the services to be rendered by the Underwriter in connection therewith, including, without limitation:

(a) acting as Underwriter of the Corporation;

(b) participating in the preparation of the form of the Subscription Agreements and certain of the Ancillary Documents; and

(c) advising the Corporation with respect to the private placement of the Units;

the Corporation shall pay to the Underwriter at the Closing Time a fee equal to 8% of the aggregate gross proceeds of the Units and grant to the Underwriter at the Closing Time the Compensation Options, against receipt of payment of the purchase price for the Units.

7. Representations and Warranties

The Corporation hereby represents and warrants to the Underwriter and the Purchasers, and acknowledges that the Underwriter and the Purchasers are relying upon each of such representations and warranties in completing the Closing, as follows:

(a) Incorporation and Organization: The Corporation has been organized and is a valid and subsisting corporation under the laws of the Province of Alberta and the Subsidiaries have been organized and is a valid and subsisting corporation under the laws of the State of Delaware and each has all requisite corporate power and authority to carry on its business as now conducted or proposed to be conducted and to own or lease and operate the property and assets thereof and the Corporation has all requisite corporate power and authority to enter into, execute and deliver this agreement and to carry out the obligations thereof hereunder.

(b) Extra-provincial Registration: The Corporation and the Subsidiaries hold all licences, registrations and qualifications in all jurisdictions where the character of the property or assets thereof owned or leased or the nature of the activities conducted make licensing, registration or qualification necessary and is carrying on the business thereof in compliance in all material respects with all applicable laws, rules and regulations of each such jurisdiction.

(c) Authorized Capital: The Corporation is authorized to issue an unlimited number of Common Shares, of which, as of the date hereof, 20,991,855 Common Shares are issued and outstanding as fully paid and non-assessable shares. Wellpoint Systems, Inc. and WPS Systems, Inc. are each authorized to issue an unlimited number of common shares, of which, as of the date hereof 100 common shares of Wellpoint Systems, Inc. and 100 common shares of WPS Systems, Inc are issued and outstanding as fully paid and non-assessable shares and all of which are owned by the Corporation

(d) Listing: The Common Shares are, and at the time of issue of the Units will be, listed on the Stock Exchange and the Unit Shares, the Warrant Shares, the Broker's Shares and the Broker' Warrant Shares will, at the time of issue thereof, be conditionally approved for listing on the Stock Exchange.

(e) Certain Security Law Matters: The Common Shares are listed only on the Stock Exchange and the Corporation is a reporting issuer or the equivalent only in the Reporting Provinces and is not in default of any requirement of the securities legislation of any of such provinces.

(f) Rights to Acquire Securities: Other than pursuant hereto, 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 the Corporation, except for an aggregate of 12,662,667 Common Shares reserved for issue as of March 10, 2006 pursuant to outstanding options, warrants, share incentive plans, convertible, exercisable and exchangeable securities, property acquisitions and other rights to acquire Common Shares and for the securities to be issued pursuant to the IDEAS Acquisition Agreement. 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 the Subsidiaries.

(g) No Pre-emptive Rights: The issue of the Units will not be subject to any pre-emptive right or other contractual right to purchase securities granted by the Corporation or to which the Corporation is subject.

(h) Units: The execution of this Agreement, the Subscription Agreements, the issue by the Corporation to the Purchasers of the Units and the grant by the Corporation to the Underwriter of the Compensation Options, the issue of the Warrant Shares on the due exercise of the Warrants, the issuance of the Broker's Shares and Broker's Warrants on the due exercise of the Compensation Options and the issuance of the Broker's Warrant Shares on the due exercise of the Broker's Warrants will be exempt from the registration and prospectus requirements of applicable securities legislation.

(i) Subsidiaries: The Corporation has two subsidiaries, Wellpoint Systems, Inc., incorporated under the laws of Delaware of which the Corporation is the sole shareholder and WPS Systems, Inc., incorporated under the laws of Delaware of which the Corporation is the sole shareholder..

(j) Issue of Units: All necessary corporate action has been taken to authorize the issue and sale of, and the delivery of certificates representing, the Underlying Securities and, upon payment of the requisite consideration therefor, the Unit Shares comprising part of the Units will be validly issued as fully paid and non-assessable shares and the Warrants comprising part of the Units will be validly created and issued. The Warrant Shares issuable upon the exercise of the Warrants, upon payment in full of the applicable exercise price for the Warrant Shares and exercise of the Warrants in accordance with the terms of the certificate evidencing the Warrants, when issued, will be validly issued and outstanding as fully paid and non-assessable shares.

(k) Grant of Compensation Options: All necessary corporate action has been taken to authorize the grant of, and the delivery of the certificates representing, the Compensation Options and upon issuance and delivery, will be valid obligations of the Corporation enforceable in accordance with their terms, except as may be qualified by the Enforceability Qualifications. The Broker's Shares issuable upon the due exercise of the Compensation Options and Broker's Warrant Shares issuable upon the due exercise of the Broker's Warrants, upon payment in full of the applicable exercise price therefor and exercise of the Compensation Options or Broker's Warrant Shares, as the case may be, in accordance with the terms thereof, will, subject to regulatory approval, when issued, be validly issued and outstanding as fully paid and non-assessable Common Shares.

(l) Consents, Approvals and Conflicts: None of the offering and sale of the Units, the grant of the Compensation Options, the issue of the Warrant Shares on the exercise of the Warrants, the issue of the Broker's Shares and the Broker's Warrants on the exercise of the Compensation Options and the issue of the Broker's Warrant Shares on the exercise of the Broker's Warrants, the execution and delivery of this Agreement and the Subscription Agreements, the compliance by the Corporation with the provisions of this Agreement and the Subscription Agreements or the consummation of the transactions contemplated herein and therein including, without limitation, the issue of the Units to the Purchasers for the consideration and upon the terms and conditions as set forth in the Subscription Agreements, do or will (i) require the consent, approval, or authorization, order or agreement of, or registration or qualification with, any governmental agency, body or authority, court, stock exchange, securities regulatory authority or other Person, except (A) such as have been obtained, or (B) such as may be required under applicable Securities Laws and will be obtained by the Closing Date, or (ii) to the best of the knowledge of the Corporation, conflict with or result in any breach or violation of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Corporation is a party or by which it or any of the properties or assets thereof is bound, or (iii) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under, the articles or by-laws of the Corporation or any resolution passed by the directors (or any committee thereof) or shareholders of the Corporation, or any statute or any judgment, decree, order, rule, policy or regulation of any court, governmental authority, any arbitrator, stock exchange or securities regulatory authority applicable to the Corporation or any of the properties or assets thereof which could have a material adverse effect on the condition (financial or otherwise), business, properties or results of operations, taken as a whole, of the Corporation.

(m) Authority and Authorization: The Corporation has full corporate power and authority to enter into this Agreement and the Subscription Agreements and to do all acts and things and execute and deliver all documents as are required hereunder or thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof or thereof and the Corporation has taken all necessary corporate action to authorize the creation, execution, delivery and performance of this Agreement, the Subscription Agreements and to observe and perform the provisions of this Agreement and the Subscription Agreements in accordance with the provisions hereof or thereof.

(n) Validity and Enforceability: Each of this Agreement and the Subscription Agreements has been authorized and has been or will be executed and delivered by the Corporation and constitutes or will constitute a valid and legally binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, except as may be qualified by the Enforceability Qualifications.

(o) Public Disclosure: Each of the documents which contains any of the Public Information is, as of the date thereof, in compliance in all material respects with applicable Securities Laws and did not to the knowledge of the Corporation contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. There is no material fact known to the Corporation which the Corporation has not publicly disclosed which materially adversely affects, or so far as the Corporation can now reasonably foresee, will materially adversely affect, the assets, liabilities (contingent or otherwise), affairs, business, prospects, operations or condition (financial or otherwise), taken as a whole, of the Corporation or the ability of the Corporation to perform its obligations under this Agreement or the Subscription Agreements.

(p) Timely Disclosure: The Corporation is in compliance with all timely disclosure obligations under applicable Securities Laws and, without limiting the generality of the foregoing, there has not occurred any material adverse change, financial or otherwise, in the assets, liabilities (contingent or otherwise), business, condition (financial or otherwise), capital or prospects, taken as a whole, of the Corporation which has not been publicly disclosed and none of the documents filed by or on behalf of the Corporation pursuant to applicable Securities Laws contain a misrepresentation (as such term is defined in the *Securities Act* (Alberta)) at the date of the filing thereof.

(q) No Cease Trade Order: No order preventing, ceasing or suspending trading in any securities of the Corporation or prohibiting the issue and sale of securities by the Corporation is outstanding and no proceedings for either of such purposes have been instituted or, to the best of the knowledge of the Corporation, are pending, contemplated or threatened.

(r) Financial Statements: The audited financial statements of the Corporation for the year ended December 31, 2004 together with the auditors' report thereon and the notes thereto and the unaudited financial statements of the Corporation for the period ended September 30, 2005 together with the notes thereto have been prepared in accordance with Canadian generally accepted accounting principles applied on a basis consistent with prior periods (except as disclosed in such financial statements), are substantially correct in every particular and present fairly the financial condition and position of the Corporation as at the dates thereof and such financial statements contain no direct or implied statement of a material fact which is untrue on the date of such financial statements and do not omit to state any material fact which is required by Canadian generally accepted accounting principles or by applicable law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading.

(s) Changes in Financial Position: Except for the entering into of the IDEAS Acquisition Agreement, since September 30, 2005:

(i) the Corporation has not paid or declared any dividend or incurred any material capital expenditure or made any commitment therefor;

(ii) the Corporation has not incurred any obligation or liability, direct or indirect, contingent or otherwise, except in the ordinary course of business and which is not, and which in the aggregate are not, material; and

(iii) the Corporation has not entered into any material transaction;

except in each case as disclosed in the Public Information.

(t) No Contemplated Changes: Except for the IDEAS Acquisition, and as disclosed in the Public Information, the Corporation: (i) has not, other than in the ordinary course of business, approved, (ii) is not contemplating, (iii) has not entered into any agreement in respect of:

A. the purchase of any property or assets or any interest therein or the sale, transfer or other disposition of any property or assets or any interest therein currently owned, directly or indirectly, by the Corporation whether by asset sale, transfer of shares or otherwise;

B. the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Corporation or otherwise) of the Corporation; or

C. a proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding shares of the Corporation.

(u) Taxes and Tax Returns: The Corporation and the Subsidiaries have each filed in a timely manner all necessary tax returns and notices and has paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due and the Corporation and the Subsidiaries are not aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to result in any material adverse change in the condition (financial or otherwise), or in the earnings, business affairs or business prospects of the Corporation and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by the Corporation or the Subsidiaries or the payment of any material tax, governmental charge, penalty, interest or fine against the Corporation or the Subsidiaries, there are no material actions, suits, proceedings, investigations or claims now threatened or, to the best of the knowledge of the Corporation, pending against the Corporation or the Subsidiaries which could result in a material liability in respect of taxes, charges or levies of any governmental authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any governmental authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority and the Corporation and the Subsidiaries have withheld (where applicable) from each payment to each of the present and former officers, directors and employees thereof the amount of all taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving authority within the time required under applicable tax legislation.

(v) Compliance with Laws, Licenses and Permits: The Corporation has conducted and is 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 possesses all material approvals, consents, certificates, registrations, authorizations, permits and licenses issued by the appropriate provincial, state, municipal, federal or other regulatory agency or body necessary to carry on the business currently carried on by it, is in compliance in all material respects with the terms and conditions of all such approvals, consents, certificates, authorizations, permits and licenses and with all laws, regulations, tariffs, rules, orders and directives material to the operations, and the Corporation has not received any notice of the modification, revocation or cancellation of, any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such approval, consent, certificate, authorization, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, ruling or finding, would materially and adversely affect the conduct of the business or operations of, or the assets, liabilities (contingent or otherwise), condition (financial or otherwise) or prospects of, the Corporation, taken as a whole.

(w) Minute Books: The minute books and records of the Corporation made available to counsel for the Underwriter in connection with its due diligence investigation of the Corporation contain copies of all constating documents and all resolutions of its directors and securityholders.

(x) Agreements and Actions: The Corporation and the Subsidiaries are not in violation of any term of its notice of their respective articles or any constating document thereof. The Corporation and the Subsidiaries are not in violation of any term or provision of any agreement, indenture or other instrument applicable to them which would, or could, result in any material adverse effect on the business, condition (financial or otherwise), affairs or operations, taken as a whole, of the Corporation. The Corporation and the Subsidiaries are not in default in the payment of any obligation owed which is now due and there is no action, suit, proceeding or investigation commenced or, to the knowledge of the Corporation after due inquiry, pending or, to the best of the knowledge of the Corporation, threatened which, either in any case or in the aggregate, might result in any material adverse effect on the business, condition (financial or otherwise), affairs, prospects or operations, taken as a whole, of the Corporation or in any of the material properties or assets thereof or in any material liability on the part of the Corporation or the Subsidiaries or which places, or could place, in question the validity or enforceability of this Agreement, the Subscription Agreements or any document or instrument delivered, or to be delivered, by the Corporation pursuant hereto or thereto.

(y) No Defaults: The Corporation and the Subsidiaries are not in default of any material term, covenant or condition under or in respect of any judgment, order, agreement or instrument to which any of them are a party or to which any of them or any of the property or assets thereof are or may be subject, and no event has occurred and is continuing, and, to the Corporation's knowledge, no circumstance exists which has not been waived, which constitutes a default in respect of any commitment, agreement, document or other instrument to which the Corporation or any of the Subsidiaries is a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of any amount owing thereunder which could have a material adverse effect upon the condition (financial or otherwise), property, assets, operations or business, taken as a whole, of the Corporation.

(z) Compliance with Employment Laws: The Corporation and the Subsidiaries are in compliance with all laws and regulations respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where such non-compliance would not constitute an adverse material fact concerning the Corporation or result in an adverse material change to the Corporation and has not and is not engaged in any unfair labour practice, there is no labour strike, dispute, slowdown, stoppage, complaint or grievance pending or, to the best of the knowledge of the Corporation after due inquiry, threatened against the Corporation or the Subsidiaries, no union representation question exists respecting the employees of the Corporation or the Subsidiaries and no collective bargaining agreement is in place or currently being negotiated by the Corporation or the Subsidiaries, the Corporation and the Subsidiaries have not received any notice of any unresolved matter and there are no outstanding orders under the *Employment Standards Code* (Alberta), the *Human Rights, Citizenship and Multiculturalism Act* (Alberta), the *Occupational Health and Safety Act* (Alberta) or the *Workers' Compensation Act* (Alberta) or any other similar legislation in any jurisdiction in which the Corporation or the Subsidiaries carries on business, no employee has any agreement as to the length of notice required to terminate his or her employment with the Corporation or the Subsidiaries in excess of twelve months or equivalent compensation and all benefit or pension plans of the Corporation and the Subsidiaries are funded in accordance with applicable laws and no past service funding liability exist thereunder.

(aa) Environmental Compliance: Except as disclosed in the Public Information, the Corporation and the Subsidiaries:

(i) and the property, assets and operations thereof comply, to the best of the Corporation's knowledge, in all material respects with all applicable Environmental Laws (which term means and includes, without limitation, any and all applicable international, federal, provincial, state, municipal or local laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, or any Environmental Activity (which term means and includes, without limitation, any past, present or future activity, event or circumstance by or in respect of a Contaminant (which term means and includes, without limitation, any pollutants, hazardous wastes, hazardous materials, hazardous substances or contaminants or any other matter (including any of the foregoing), which is defined or described as such pursuant to any such applicable Environmental Law), including, without limitation, the storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation thereof, or the release, escape, leaching, dispersal or migration thereof into the natural environment, including the movement through or in the air, soil, surface water or groundwater));

(ii) do not have any knowledge of, and have not received any notice of, any material claim, judicial or administrative proceeding, pending or threatened against, or which may materially adversely affect, the Corporation or the Subsidiaries or any of the property, assets or operations thereof, relating to, or alleging any violation of any Environmental Laws, the Corporation is not aware of any facts which could give rise to any such claim or judicial or administrative proceeding and, to the best of the Corporation's knowledge, neither the Corporation or the Subsidiaries nor any of the property, assets or operations thereof is the subject of any investigation, evaluation, audit or review by any Governmental Authority (which term 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) to determine whether any violation of any Environmental Laws has occurred or is occurring or whether any remedial action is needed in connection with a release of any Contaminant into the environment, except for compliance investigations conducted in the normal course by any Governmental Authority;

(iii) have not given or filed any notice under any federal, state, provincial or local law with respect to any Environmental Activity, the Corporation and the Subsidiaries do not, to the best of the Corporation's knowledge, have any liability (whether contingent or otherwise) in connection with any Environmental Activity and the Corporation is not aware of any notice being given under any federal, state, provincial or local law or of any liability (whether contingent or otherwise) with respect to any Environmental Activity relating to or affecting the Corporation, the Subsidiaries or the property, assets, business or operations thereof;

(iv) subject to the next following sentence, the Corporation and the Subsidiaries have not stored any hazardous or toxic waste or toxic substance on the property thereof and have not disposed of any hazardous or toxic waste, in each case in a manner contrary to any Environmental Laws, and, to the best of the Corporation's knowledge, there are no Contaminants on any of the premises at which the Corporation or the Subsidiaries carries on business, in each case other than in compliance with Environmental Laws; and

(v) are not, to the best of the Corporation's knowledge, subject to any contingent or other liability relating to the restoration or rehabilitation of land, water or any other part of the environment or non-compliance with Environmental Law.

(bb) No Litigation: There are no actions, suits, proceedings, inquiries or investigations existing, or to the best of the Corporation's knowledge, pending or threatened against or adversely affecting the Corporation, the Subsidiaries or to which any of the property or assets thereof is subject, at law or equity, or before or by any court, federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which may in any way materially adversely affect the condition (financial or otherwise), property, assets, operations or business, taken as a whole, of the Corporation or the ability of it to perform its obligations and the Corporation and the Subsidiaries are not subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, which, either separately or in the aggregate, may result in a material adverse effect on the condition (financial or otherwise), property, assets, operations or business, taken as a whole, of the Corporation or the ability of the Corporation to perform its obligations pursuant hereto.

(cc) Intellectual Property:

(i) To the best of management's knowledge and belief, all registrations with, and applications to, governmental authorities in respect of the Intellectual Property are valid and in full force and effect and are not subject to the payment of any taxes or maintenance fees or the taking of any other actions by the Corporation or the Subsidiaries to maintain their validity or effectiveness, other than routine filings and payments applicable to registrations of that kind. The Intellectual Property is owned by, or licensed to, the Corporation and/or the Subsidiaries, as the case may be, and the Corporation and the Subsidiaries have the right to use the Intellectual Property.

(ii) To the best of management's knowledge and belief, there are no restrictions on the direct or indirect transfer or assignment of any of the Intellectual Property.

(iii) No licences or sublicenses have been granted by the Corporation or the Subsidiaries to third parties permitting the use of any Intellectual Property except customer agreements nor, except through such customer agreements, is there any obligation on the part of the Corporation or the Subsidiaries to enter into a licence or sublicence with a third party to permit such third party to use any of the Intellectual Property.

(iv) No notice has been received by the Corporation or the Subsidiaries that their rights to the Intellectual Property are invalid or unenforceable or that any infringement or misappropriate thereof, in whole or in part, by any Person has occurred, and no legal proceedings alleging infringement have been initiated or, to the knowledge of the Corporation, threatened.

(v) To the best of the management's knowledge and belief, the conduct of the business of the Corporation and the Subsidiaries does not infringe the intellectual property rights of any Person.

(dd) Technology: Except for individual elements of the Technology which may be in the public domain, to the best of management's knowledge and belief, the Corporation and the Subsidiaries own all equitable and legal rights in and to the Technology. To the best of management's knowledge and belief, all elements of the Technology are protectable under the copyright laws, patent laws, or laws addressing protection of trade secrets and similar confidential information and materials of Canada and the United States and, in the case of elements of the Technology protected or protectable by copyright or patent, have been, or to the knowledge of the Corporation, are capable of being, registered in the Canadian and U.S. copyright or patent office. To the best of the management's knowledge and belief after due inquiry, no author of any element of the Technology has asserted or threatened to assert any moral rights therein. None of the Corporation or the

Subsidiaries has taken any action, and the Corporation is aware of no facts, which would cause any element of the Technology to have entered the public domain.

8. **Covenants of the Corporation**

(a) Consents and Approvals: Immediately following the acceptance by the Corporation hereof, the Corporation covenants and agrees with the Underwriter and the Purchasers that the Corporation will:

(i) use the reasonable best efforts thereof to obtain, to the extent not already obtained, the necessary regulatory consents from the Stock Exchange and, to the extent necessary, from the Securities Commissions of jurisdictions where Purchasers reside for the Offering on such terms as are mutually acceptable to the Underwriter and the Corporation, acting reasonably;

(ii) use the reasonable best efforts thereof to arrange for the listing of the Unit Shares and Warrant Shares on the Stock Exchange as soon as possible; and

(iii) make all necessary filings and use the best efforts thereof to obtain all other necessary regulatory and other consents and approvals required in connection with the transactions contemplated by this Agreement.

(b) General: The Corporation hereby covenants and agrees with the Underwriter and the Purchasers that the Corporation will:

(i) fulfill all legal requirements to permit the issue, offering and sale of the Units and the issue of the Compensation Options as contemplated in this Agreement including, without limitation, compliance with the Securities Laws of the Offering Jurisdictions to enable the Units to be offered for sale and sold to the Purchasers and the issue of the Warrant Shares on the exercise of the Warrants and the issue of the Compensation Options, the issue of the Broker's Shares and Broker's Warrants on the exercise of the Compensation Options (subject to shareholder approval to the issuance and exercise of the Compensation Options) and the issue of the Broker's Warrant Shares upon the exercise of the Broker's Warrants without the necessity of filing a prospectus or an offering memorandum in the Offering Jurisdictions;

(ii) use commercially reasonable best efforts thereof to maintain the listing of the Common Shares on the Stock Exchange for a period of at least 24 months from the Closing Date and the status thereof as a reporting issuer not in default under the securities legislation of each of the Reporting Provinces for 24 months after the Closing Date;

(iii) use its commercially reasonable best efforts to fulfil or cause to be fulfilled, at or prior to the Closing Time, each of the conditions required to be fulfilled by it set out in paragraphs 5(b)(i), (ii) and (iii);

(iv) ensure that so long as the Compensation Options and/or Broker Warrants are eligible to be exercised, a sufficient number of Common Shares are alloted and reserved for issuance upon the due exercise of the Compensation Options and Broker's Warrants; and

(v) forthwith after the Closing Date file such documents as may be required under the Securities Laws of the Offering Jurisdictions relating to the Offering which, without limiting the generality of the foregoing, shall include a Form 45-106F1.

(c) Issues of Further Securities: Except for options to purchase Common Shares to be granted to Investor3 Business Development Corp., in connection with investor relation services provided to the Corporation, as disclosed to the Underwriter, the Corporation will not, without the prior written consent of the Underwriter, agree to create, issue or sell, or create, issue or sell, any Common Shares or any securities exchangeable or exercisable for, or convertible into, any Common Shares at any time prior to the Closing Date or for a period of 90 days thereafter, other than as contemplated hereby or Common Shares issuable under existing options, warrants or incentive plans, convertible, exchangeable or exercisable securities or other rights to acquire Common Shares disclosed in the Public Information, stock option grants under the Corporation's stock option plan, securities issued pursuant to the IDEAS Acquisition Agreement, or securities issued with respect to an arm's length acquisition or strategic partnering.

9. **Termination**

(a) Right of Termination: The Underwriter shall be entitled, at the sole option thereof, to terminate and cancel, without any liability on the part of the Underwriter, all of the obligations thereof under this Agreement and the obligations of any Person who has executed a Subscription Agreement, by notice in writing to that effect delivered to the Corporation prior to or at the Closing Time if:

(i) the Underwriter is not satisfied in the sole discretion thereof with the results of the due diligence review and investigation of the Corporation conducted by the Underwriter;

(ii) there is, in the sole opinion of the Underwriter, a material change or change in a material fact or new material fact or an undisclosed material fact or material change which might be expected to have an adverse effect on the condition (financial or otherwise), property, assets, operations, business, affairs, profitability or prospects, taken as a whole, of the Corporation or on the market price or value of the Common Shares or any other securities of the Corporation;

(iii) there should develop, occur or come into effect any occurrence of national or international consequence, or any action, law or regulation, inquiry, or other occurrence of any nature whatsoever which, in the sole opinion of the Underwriter, seriously affects, or could seriously affect, the financial markets or the business of the Corporation or the market price or value of the Common Shares or any other securities of the Corporation;

(iv) there is any inquiry, action, suit, proceeding or investigation (whether formal or informal, instituted or announced or threatened) in relation to the Corporation or any of the directors, officers or principal shareholders of the Corporation which in the sole opinion of the Underwriter, may have a material adverse effect on the Corporation;

(v) any order to cease or suspend trading in any securities of the Corporation is made, threatened or announced by the Stock Exchange or any other securities regulatory authority; or

(vi) the Corporation is in breach of any term, condition, covenant or agreement contained in this Agreement or any representation or warranty given by the Corporation in this Agreement is or becomes untrue, false or misleading.

(b) Rights on Termination: Any termination by the Underwriter pursuant to subsection 9(a) hereof shall be effected by notice in writing delivered to the Corporation at the address therefor as set out in section 13 hereof. The right of the Underwriter to so terminate the obligations thereof under this Agreement is in addition to such other remedies as the Underwriter may have in respect of any default, act or failure to act of the Corporation in respect of any of the matters contemplated by this Agreement. In the event of a termination by the Underwriter pursuant to subsection 9(a) hereof there shall be no further liability on the part of the Underwriter to the Corporation or of the Corporation to the Underwriter except any liability which may have arisen or may thereafter arise under sections 10 and 11 hereof.

10. Indemnity and Contribution

(a) Indemnity: The Corporation hereby covenants and agrees to protect, indemnify and save harmless the Underwriter and each investment dealer which is a member of any syndicate formed by the Underwriter in connection with the Offering, each of the affiliates of each of them and the respective directors, officers, employees sub-agents, agents and shareholders of the Underwriter and each investment dealer which is a member of any syndicate formed by the Underwriter in connection with the Offering and of each of the affiliates of each of them (in this section each an "**Indemnified Person**" and collectively the "**Indemnified Persons**") from and against all losses (other than a loss of profits), claims, actions, damages, liabilities, costs and expenses, whether joint or several caused or incurred by reason of or in any way arising, directly or indirectly, out of enforcing this Agreement or:

(i) any statement or information contained in the Public Information to the Closing Date (except information and statements relating solely to, and provided by, the Underwriter or a member of the syndicate) which at the time and in light of the circumstances under which it was made containing or being alleged to contain a misrepresentation or being or being alleged to be untrue, false or misleading;

(ii) the omission or alleged omission to state in the Public Information to the Closing Date (except information and statements relating solely to, and provided by, the Underwriter or a member of the syndicate) any material fact required to be stated therein or necessary to make any statement therein not misleading in light of the circumstances under which it was made;

(iii) any order made or inquiry, investigation or proceeding commenced or threatened by any officer or official of the Stock Exchange, any securities commission or authority or any other competent authority, not based upon the activities or the alleged activities of the Underwriter or any member of any syndicate formed by the Underwriter in connection with the Offering, based upon any untrue, false or misleading statement or omission or alleged untrue, false or misleading statement or omission or any misrepresentation or alleged misrepresentation in the Public Information made prior to the Closing Date which prevents or restricts trading in the Units or the Common Shares in any of the Offering Jurisdictions;

(iv) the non-compliance by the Corporation with any of the Securities Laws of the Offering Jurisdictions or other applicable laws in connection with the transactions contemplated herein;

(v) any negligence or willful misconduct by the Corporation relating to or connected with the sale by the Corporation of the Units; or

(vi) the breach of, or default under, any material term, condition, covenant or agreement of the Corporation made or contained herein or in any other document of the Corporation delivered pursuant hereto or made by the Corporation in connection with the sale of the Units or any representation or warranty of the Corporation made or contained herein or in any other document of the Corporation delivered pursuant hereto or in connection with the sale of the Units being or being alleged to be untrue, false or misleading,

provided that the Corporation shall not be liable under this Section 10 to the extent that a court of competent jurisdiction shall have determined by a final judgement that such loss, claim, damage, liability, cost or expense resulted from any act or failure to act undertaken or omitted to be undertaken by the Indemnified Party through its bad faith, negligence, dishonesty or fraud. If any matter or thing contemplated by this section 10 shall be asserted against any Indemnified Person in respect of which indemnification is or might reasonably be considered to be provided hereunder, or in any potential claim contemplated by this section shall come to the knowledge of an Indemnified Party, such Indemnified Person shall notify the Corporation as soon as possible of the nature of such claim and the Corporation shall be entitled, but not required, to participate in or assume the defence of any suit brought to enforce such claim; provided, however, that the defence shall be through legal counsel reasonably acceptable to the Indemnified Person and that no settlement may be made by the Corporation or Indemnified Person without the prior written consent of the other of them and the Corporation shall not be liable for any settlement of any such claim unless it has consented in writing to such settlement.

(b) Governmental Proceedings: The Corporation agrees that in case any legal proceeding shall be brought against the Corporation and/or the Indemnified Person by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Corporation and/or the Indemnified Person, and any personnel shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with or by reason of the performance of professional services rendered to the Corporation by the Indemnified Person, the Indemnified Person shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Indemnified Person for its actual costs incurred in respect of the time spent by its personnel in connection therewith) and out-of - pocket expenses incurred by its personnel in connection therewith shall be paid by the indemnitor as they occur.

(c) Counsel: In any claim referred to in subsection 10(a) hereof, the Indemnified Person shall have the right to retain separate legal counsel to act on his, her or its behalf, provided that the fees and disbursements of such separate legal counsel shall be paid by the Indemnified Person unless:

(i) the Corporation fails to assume the defence of such claim on behalf of the Indemnified Person within ten days of receiving written notice of such claim;

(ii) the Corporation and the Indemnified Person shall have mutually agreed in writing to the retention of such separate legal counsel; or

(iii) the Indemnified Person has been advised by legal counsel thereto that representation of both the Corporation and the Indemnified Person by the same legal counsel would be inappropriate due to actual or potential differing interests between them;

in which event or events the reasonable fees and disbursements of such separate legal counsel shall be paid by the Corporation, subject as hereinafter provided. Where more than one Indemnified Person is entitled to retain separate counsel in the circumstances described in subsection 10(c) above, all Indemnified Persons shall be represented by one separate legal counsel and the reasonable fees and disbursements of only one separate legal counsel for all Indemnified Persons shall be paid by the Corporation, unless:

(i) the Corporation and the Indemnified Persons have mutually agreed in writing to the retention of more than one legal counsel for the Indemnified Persons; or

(ii) the Indemnified Persons have or any of them has been advised in writing by legal counsel in a written opinion that representation of all of the Indemnified Persons by the same legal counsel would be inappropriate due to actual or potential differing interests between them.

(d) Waiver of Right: The Corporation hereby waives its right to recover contribution from the Underwriter and the other Indemnified Persons with respect to any liability of the Corporation by reason of or arising out of the indemnity provided by the Corporation in this section 10, provided, however, that such waiver shall not apply in respect of an Indemnified Person for liability caused or incurred by reason or arising out of any act or failure to act undertaken or omitted to be undertaken by the Underwriter or other Indemnified Person through its bad faith, negligence, wilful misconduct or fraud, any information or statements relating solely to, and provided by, the Underwriter or any member of any syndicate formed by the Underwriter in connection with the Offering or any failure by the Underwriter or any member of any syndicate formed by the Underwriter in connection with the Offering to provide to Purchasers any document which the Corporation is required to provide to the Purchasers and which the Corporation has provided or made available to the Underwriter or any member of any syndicate formed by the Underwriter in connection with the Offering to forward to the Purchasers.

(e) Contribution:

(i) In order to provide for just and equitable contribution in circumstances in which the indemnity contained in this section 10 is, for any reason of policy or otherwise, held by a court to be unavailable, in whole or in part, to an

Indemnified Person other than in accordance with the terms of such section, each of the Corporation, the Underwriter and the party or parties seeking indemnification shall contribute to the aggregate liabilities, claims, demands, losses (other than losses of profit in connection with the distribution of the Units), costs, damages and expenses (including legal or other expenses reasonably incurred in connection with the investigation or defence of the same) to which they may be subject or which they may suffer or incur:

A. in such proportion as is appropriate to reflect the relative benefit received by the Corporation on the one hand, and by the party or parties seeking indemnity on the other hand, from the Offering; or

B. if the allocation provided by subparagraph 10(e)(i)(A) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in subparagraph 10(e)(i)(A) above, but also to reflect the relative fault of the party or parties seeking indemnity, on the one hand, and the parties from whom indemnity is sought, on the other hand, in connection with the statements, commissions or omissions or other matters which resulted in such liabilities, claims, demands, losses, costs, damages or expenses as well as any other relevant equitable considerations.

The relative benefits received by the Corporation, on the one hand, and the Underwriter, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the Offering received by the Corporation (net of fees but before deducting expenses) bear to the fees received by the Underwriter, provided in no event shall the amount paid or payable by the Underwriter as a result of such expense, loss, claim, damage or liability exceed the amount of the fees received by the Underwriter hereunder.

The Corporation agrees that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding paragraphs. The rights to contribution provided in this paragraph shall be in addition to, and without prejudice to, any other right to contribution which the Underwriter may have.

Notwithstanding the foregoing, a person guilty of fraudulent misrepresentation, bad faith, negligence or wilful misconduct shall not be entitled to contribution from the other party.

(f) Held in Trust: To the extent that the indemnity contained in paragraph 10(a) hereof is given in favour of a Person who is not a party to this Agreement, the Corporation hereby constitutes the Underwriter as trustee for such Person for such indemnity and the covenants given by Corporation in this Agreement. The Underwriter agrees to accept such trust and hold it and such indemnity and covenants for the benefit of such Persons. The benefit of such indemnity and covenants shall be held by the Underwriter in trust for the Persons in favour of whom such indemnities and covenants are given and may be enforced directly by such Persons.

(g) Settlements: No admission of liability and no settlement of any action, suit, proceeding, claim or investigation shall be made without the consent of the Indemnified Person affected, such consent not to be unreasonably withheld. No admission of liability shall be made and the Corporation shall not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent, such consent not to be unreasonably withheld. In the even that an Indemnified Person withholds its consent in the circumstances aforesaid in respect of a settlement that is acceptable to the Corporation and the claimant, and under the terms of such proposed settlement the Indemnified Person was to be fully indemnified and held harmless, then the Corporation shall not have any liability hereunder to the Indemnified Person for the amount of any final settlement or judgment award in excess of the settlement offer rejected by such Indemnified Person and the Indemnified Person shall indemnify and save harmless the Corporation for all costs and expenses incurred by the Corporation in subsequent prosecution of the mater after the aforesaid rejected settlement offer, and for all losses, claims, damages, or liabilities incurred or awarded upon a final determination of the matter in excess of the aforesaid rejected settlement offer.

11. Expenses

Whether or not the purchase and sale of the Units shall be completed as contemplated by this Agreement, all expenses of or incidental to the issue, sale and delivery of the Units and of or incidental to all matters in connection with the transaction herein set out, including without limitation reasonable out-of-pocket costs and expenses incurred by the Underwriter, shall be borne by the Corporation and shall be payable immediately upon receiving an invoice therefor from the Underwriter, including, without limitation, the reasonable fees and expenses of counsel to the Underwriter.,

12. Conditions

All of the terms and conditions contained in this Agreement to be satisfied by the Corporation prior to the Closing Time shall be construed as conditions and any material breach or failure by the Corporation to comply with any of such terms and conditions shall entitle the Underwriter to terminate the obligations thereof to complete the Closing by written notice to that effect given to the Corporation prior to the Closing Time. It is understood and agreed that the Underwriter may waive in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights thereof in respect of any other such term and condition or any other or subsequent breach or non-compliance; provided that to be binding on the Underwriter any such waiver or extension must be in writing. If the Underwriter shall elect to terminate the obligation thereof to complete the Closing as aforesaid, whether the reason for such termination is within or beyond the control of the Corporation, the liability of the Corporation hereunder shall be limited to the indemnity referred to in section 10 hereof, the right to contribution referred to in subsection 10(b) hereof and the payment of expenses referred to in section 11 hereof.

13. Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be personally delivered or sent by telecopier on a Business Day to the following addresses:

(a) in the case of the Corporation:

Wellpoint Systems Inc.
500-4th Ave. SW
Suite 2000, Altius Centre
Calgary, Alberta T2P 2V6

Attention: Frank Stanford
Chief Executive Officer

Telecopier: 604-688-2043

with a copy to:

Burnet, Duckworth & Palmer LLP
1400, 350-7th Avenue S.W.
Calgary, Alberta T2P 3N9

Attention: Jeff Lawson
Telecopier: (403) 260-0337

(b) in the case of the Underwriter:

Northern Securities Inc.
150 York Street
Suite 1800
Toronto, Ontario
M5H 3S5

Attention: Richard Pinkerton
Telecopier: (416) 644-0271

with a copy to:

Fogler, Rubinoff LLP
Suite 1200
95 Wellington Street West
Toronto Dominion Centre
Toronto, Ontario
M5J 2Z9

Attention: Eric Roblin
Telecopier: (416) 941-8852

Either the Corporation or the Underwriter may change its address for notice by notice given in the manner aforesaid. Any such notice or other communication shall be in writing, and unless delivered to a responsible officer of the addressee, shall be given by telecopier, and shall be deemed to have been given on the day on which it was delivered or sent by telecopier.

14. Miscellaneous

(a) Governing Law: This Agreement shall be governed by and be interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

(b) Time of Essence: Time shall be of the essence of this Agreement.

(c) Currency: All references herein to dollar amounts are to lawful money of Canada

(d) Survival: All representations, warranties, covenants and agreements of the Corporation herein contained or contained in any documents contemplated by, or delivered pursuant to, this Agreement or in connection with the purchase and sale of the Units shall survive the purchase and sale of the Units and the termination of this Agreement for a period of two years and shall continue in full force and effect for the benefit of the Underwriter and the Purchasers in accordance with applicable law, regardless of any subsequent disposition of Units or the Compensation Options or any investigation by or on behalf of the Underwriter with respect thereto. Notwithstanding the foregoing, the provisions contained in this Agreement relating to the indemnification of the Underwriter and members of the syndicate formed by the Underwriter, by the Corporation, or the contribution obligation of the Underwriter or those of the Corporation, shall survive and continue in full force and effect, until liability to the Indemnified Parties arising out of the transactions contemplated by this Agreement has been extinguished by operation of law.

(e) Counterparts and Facsimile Copies: This Agreement may be executed in any number of counterparts and by facsimile, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

(f) Entire Agreement: This Agreement constitutes the entire agreement between the Corporation and the Underwriter in connection with the issue and sale of the Units by the Corporation and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, including, but not limited to, the engagement letter relating to the Offering between the Corporation and the Underwriter.

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

(h) Language: The parties hereto acknowledge and confirm that they have requested that this Agreement as well as all notices and other documents contemplated hereby be drawn up in the English language. Les parties aux présentes reconnaissent et confirment qu'elles ont convenu que la présente convention ainsi que tous les avis et documents qui s'y rattachent soient rédigés dans la langue anglaise.

(i) Successors and Assigns: The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation, the Underwriter and the Purchasers and their respective executors, heirs, successors and permitted assigns; provided that, except as provided herein or in the Subscription Agreements, this Agreement shall not be assignable by any party without the written consent of the others.

Would you kindly confirm the agreement of the Corporation to the foregoing by executing five duplicate copies of this Agreement and thereafter returning three such executed copies to Northern.

Yours truly,

NORTHERN SECURITIES INC.

By: (signed) *"Vic Alboini"*
Vic Alboini
Chairman and C.E.O.

The undersigned hereby accepts and agrees to the foregoing as of the 10th day of March, 2006.

WELLPOINT SYSTEMS INC.

By: (signed) *"Frank Stanford"*
Frank Stanford
Chief Executive Officer

SCHEDULE "A"

OFFICERS' CERTIFICATE

Northern Securities Inc.
150 York Street
Suite 1800, Box 35
Toronto, Ontario
M5H 3S5

Fogler, Rubinoff LLP
1200 – 95 Wellington Street West
Toronto, Ontario
M5J 2Z9

Re: Wellpoint Systems Inc. (the "Company") – Underwritten Private Placement of 8,000,000 Units

Pursuant to the Underwriting Agreement dated ______________________, 2006 (the "Underwriting Agreement") between the Company and Northern Securities Inc., the undersigned officer of the Company hereby certifies, in his capacity as an officer of the Company and not in his personal capacity, after having made due inquiry, that:

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

(ii) the representations and warranties of the Company set forth in the Underwriting Agreement are true and correct, in all material respects, at the Closing Time, as if made at such time; and

(iii) no event of the nature referred to in Subsections 9(a)(iv) and 9(a)(v) of the Underwriting Agreement has occurred or to my knowledge is pending, contemplated or threatened.

All capitalized terms not otherwise defined in this certificate shall have the meanings ascribed to them in the Underwriting Agreement.

Dated this ______ day of ______________________________, 2006.

____
Frank Stanford
Chief Executive Officer of
Wellpoint Systems Inc.