Agency Agreement — Share Private Placement

THIS AGREEMENT dated for reference May 11, is made

BETWEEN

LINUX DA INC., 3210 - 999 Third Avenue, Seattle, Washington, 98104

(the "Issuer");

AND

CANACCORD CAPITAL CORPORATION, Suite 2200, 609 Granville Street, Vancouver, British Columbia, V7Y 1H2

(the "Agent");

WHEREAS:

A. The Issuer is a company incorporated under the laws of Washington;

B. The Issuer wishes to privately place with purchasers a minimum of 2,800,000 and a maximum of 3,400,000 Shares (the "Offered Shares") at a price of $0.50 per Offered Share (the "Offering Price");

C. The Issuer wishes to appoint the Agent to distribute the Offered Shares, and the Agent is willing to accept such appointment on the terms and conditions of this Agreement;

THE PARTIES to this Agreement therefore agree:

1. DEFINITIONS

In this Agreement and the Recitals hereto:

(a) "Acts" means the *Securities Acts* or comparable legislation of the Selling Provinces;

(b) "Agent's Fee" means the commission payable by the Issuer to the Agent on the gross proceeds of the Private Placement hereunder;

(c) "Administration Fee" has the meaning defined herein;

(d) "Applicable Legislation" means the Acts, the regulations and Rules made thereunder, and all administrative policy statements, blanket orders, notices, directions and rulings issued by the Commissions;

(e) "Closing" means the completion of the purchase and sale of some or all of the Offered Shares;

(f) "Commissions" means the Securities Commissions or securities regulatory authorities in the Selling Provinces;

(g) "Corporate Finance Shares" has the meaning defined herein;

(h) "Engagement Letter" has the meaning defined herein;

(i) "Exchange" has the meaning defined herein;

(j) "Exemptions" means such exemptions from the prospectus requirement of the Acts as may be required by the Agent, acting reasonably;

(k) "foreign issuer" has the meaning defined in Regulation S;

(l) "IPO Agency Agreement" has the meaning defined herein;

(m) "Offered Shares" has the meaning defined herein;

(n) "Offering Memorandum" means the offering memorandum to be prepared by the Issuer in connection with the sale of the Offered Shares, and any amendments made to such offering memorandum;

(o) "Offering Price" has the meaning defined herein;

(p) "Material Change" has the meaning defined in the Acts, as supplemented by National Policy No. 40;

(q) "Material Fact" has the meaning defined in the Acts;

(r) "Misrepresentation" has the meaning defined in the Acts;

(s) "Private Placement" means the offering of the Offered Shares on the terms and conditions of this Agreement;

(t) "Purchasers" means the purchasers of Offered Shares pursuant to the Private Placement;

(u) "Regulation S" means Regulation S promulgated under the *Securities Act of 1933* (United States), as amended;

(v) "Rules" means the Securities Rules made under the Acts;

(w) "Selling Provinces" means the provinces of British Columbia and Alberta, and such other Canadian provinces as may be agreed between the Issuer and the Agent;

(x) "Shares" means previously unissued common shares in the capital of the Issuer, as presently constituted;

(y) "Substantial U.S. market interest" has the meaning defined in Regulation S;

(z) "Sponsorship Agreement" has the meaning defined herein; ; and

(aa) "Trustee" means Montreal Trust Company of Canada.

2. APPOINTMENT OF AGENT

2.1 The Issuer appoints the Agent as its exclusive agent and the Agent accepts the appointment and agrees to act as exclusive agent of the Issuer to use its commercially reasonable efforts to find and introduce to the Issuer potential purchasers to purchase a minimum of 2,800,000 and a maximum of 3,400,000 Offered Shares, at the Offering Price, by way of private placement under the Exemptions.

3. THE OFFERED SHARES

The Offered Shares will be issued and registered in the names of the Purchasers or their nominees.

4. AGENT'S FEE

4.1 In consideration of the services performed by the Agent under this Agreement, including acting as financial adviser to the Issuer, assisting in the preparation of relevant documentation, assisting in obtaining required regulatory approval, and performing administrative work in connection with those matters, the Issuer agrees:

(a) to pay to the Agent on each Closing a commission equal to 8% of the gross proceeds received by the Issuer from the sale of the Offered Shares on such Closing, as follows:

(i) 4% to be paid in Shares, at a deemed price per Share equal to the Offering Price; and

(ii) 4% to be paid in cash or, at the election of the Agent, in Shares, at a deemed price equal to the Offering Price;

(b) to issue to the Agent on the first Closing, 300,000 Shares (the "Corporate Finance Shares"); and

(c) to pay to the Agent on the first Closing, an administration fee of up to $4,500, plus G.S.T. (the "Administration Fee").

5. OFFERING RESTRICTIONS

5.1 The Agent will only sell the Offered Shares to persons who represent themselves as being:

(a) persons purchasing as principal, or deemed to be purchasing as principal under Applicable Legislation;

(b) qualified to purchase the Offered Shares under the Exemptions; and

(c) persons who are not U.S. Persons, or in the United States (which terms herein shall have the meanings defined in Regulation S).

5.2 The Agent agrees that at the time any buy order for the Offered Shares is placed by clients of the Agent, the buyer will be outside the United States, or the Agent and all persons acting on its behalf will reasonably believe that the buyer is outside the United States, and neither the Agent nor any person acting on its behalf will have knowledge that such transaction has been pre-arranged with a buyer in the United States.

5.3 Neither the Issuer, the Agent, nor any of their respective affiliates, nor any person acting on behalf of any of the foregoing, will offer or sell any of the Offered Shares 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 Shares in the United States.

5.4 The Private Placement has not been and will not be advertised in any way.

5.5 No selling or promotional expenses will be paid or incurred in connection with the Private Placement, except for professional services or for services performed by a registered dealer.

6. OFFERING MEMORANDUM

6.1 The Issuer shall forthwith prepare the Offering Memorandum. The Offering Memorandum shall:

(a) describe the business and affairs of the Issuer;

(b) contain such financial statements and information relating to the Issuer as are required by Applicable Legislation;

(c) provide detailed disclosure concerning the Offered Shares;

(d) provide contractual rights of action to purchasers of Offered Shares;

(e) be in conformity with the requirements of Applicable Legislation relating to offering memorandums; and

(f) otherwise be in form and substance reasonably satisfactory to the Agent.

6.2 The Issuer shall deliver to the Agent as soon as possible after the reference date hereof sufficient commercial copies of the Offering Memorandum as may be reasonably requested by the Agent in order to enable it to market the Offered Shares effectively. The Offering Memorandum shall be certified by directors and officers of the Issuer in the manner required by Applicable Legislation. Should there be any change in any Material Fact disclosed in the Offering Memorandum, the Issuer shall, as promptly as possible, inform the Agent of the change and, if such change is adverse, shall prepare an appropriate amendment to the Offering Memorandum. Delivery by the Issuer of the Offering Memorandum and any amendment shall constitute the Issuer's authorization to the Agent to utilize the Offering Memorandum, as it may be amended, in connection with the offering for sale of the Offered Shares, and shall constitute a representation and warranty by the Issuer that the Offering Memorandum, as it may be amended, does not contain a Misrepresentation other than with respect to information supplied by and relating solely to the Agent.

6.3 The Agent will, on behalf of the Issuer, deliver a copy of the Offering Memorandum to each potential purchaser introduced to the Issuer by the Agent.

7. SUBSCRIPTIONS

7.1 The Agent will use its best efforts to obtain from each Purchaser introduced by the Agent, and deliver to the Issuer, on or before each Closing duly completed and signed subscriptions in the form attached as Schedule "A" (the "Subscription Agreements") or in such other form consented to by the Issuer and the Agent and executed by the Purchaser.

7.2 The Issuer will accept each properly completed subscription agreement tendered by the Agent, unless the subscriber thereunder would, by virtue of ownership of the Offered Shares subscribed for, become a "control person" of the Issuer, with the meaning of the *Securities Act* (British Columbia), or unless its directors, acting reasonably, are of the opinion that to accept such subscription would not be in the best interests of the Issuer.

8. CLOSINGS

8.1 In this Section:

(a) "Certificates" means certified copies of the certificates representing the Offered Shares, and those Shares issued to the Agent as part or all of the Agent's Fee, sold or issued on a Closing, and on the first Closing includes certified copies of the certificates representing the Corporate Finance Shares; and

(b) "Proceeds" means the gross proceeds of the sale of Offered Shares on a Closing, less:

(i) that portion of the Agent's Fee paid in cash;

(ii) the reasonable expenses of the Agent in connection with the Private Placement which have not been paid by the Issuer;

(iii) on the first Closing, the Administration Fee; and

(iv) any amount which has been attached by garnishing order or other form of attachment.

8.2 The sale of the Offered Shares will be completed in one or more Closings, on such day or days as are selected by the Agent, acting reasonably.

8.3 The Issuer will, on each Closing, issue and deliver the Certificates to the Agent, or at the Agent's request, to the Purchasers, against payment of the Proceeds.

8.4 If the Issuer has satisfied all of its obligations under this Agreement, the Agent will, on each Closing and to the extent not already received by the Issuer, pay the Proceeds to the Issuer against delivery of the Certificates.

8.5 The Issuer will file with the Commission within the time required by Applicable Legislation a report disclosing the distribution of the Offered Shares, together with any applicable filing fees and will deliver copies of same to the Agent.

8.6 Except as provided herein and in the IPO Agency Agreement, the Issuer will not, from the date of the final Closing to that day which falls 120 days from the date of closing of the Issuer's initial public offering, issue or announce the issue of any Shares or warrants to purchase Shares, apart from:

(a) the grant of options to purchase Shares to directors, officers or employees of the Issuer, subject to acceptance by the Exchange; or

(b) the exercise of options or warrants which are outstanding as at the date hereof.

without the consent of the Agent, such consent not to be unreasonably withheld.

8.7 On the first closing, the Issuer will deliver Certificates representing 200,000 of the Corporate Finance Shares (the "Escrowed Shares") to the Trustee, to be held by the Trustee according to the terms of an agreement to be entered into between the Issuer, the Agent and the Trustee on or before the first Closing, and which will provide, among other things, that:

(a) the Trustee will hold the Escrowed Shares in escrow;

(b) the Trustee will release 100,000 of the Escrowed Shares to the Agent on that day on which the Issuer notifies the Trustee that it has completed a further financing on a basis exempt from the Prospectus requirements of the Acts; and

(c) the Trustee will:

(i) release, on that day on which the Agent notifies the Trustee that the Issuer has completed the IPO on the basis provided in Section 2.3 (b) hereof:

(A) 100,000 of the Escrowed Shares to the Agent, if the Issuer has previously notified the Trustee that it has completed a further financing exempt from the prospectus requirements of the Acts as provided in Subsection 8.7(b); or

(B) 200,000 of the Escrowed Shares to the Agent if the Issuer has not previously notified the Trustee that it has completed a further financing exempt from the prospectus requirements of the Acts as provided in Subsection 8.7(b); or

(ii) release, on the day the Agent notifies the Trustee that the Issuer has completed the IPO on the basis provided in Section 2.3(a) hereof:

(A) 50,000 of the Escrowed Shares to the Agent, and return the balance of the Escrowed Shares to the Issuer for cancellation, if the Issuer has previously notified the Trustee that it has completed a further financing exempt from the prospectus requirements of the Acts as provided in Subsection 8.7(b); or

(B) 150,000 of the Escrowed Shares to the Agent, and return the balance of the Escrowed Shares to the Issuer for cancellation, if the Issuer has not previously notified the Trustee that it has completed a further financing exempt from the prospectus requirements of the Acts as provided in Subsection 8.7(b).

9. CONDITIONS OF CLOSINGS

9.1 The obligations of the Agent and the obligations of the Purchasers under the Subscription Agreements will be subject always to the following:

(a) receipt by the Agent of subscriptions and subscription funds for a minimum of 1,400,000 Offered Shares on or before that day which falls 30 days from the date of the Offering Memorandum, or such later date as may be agreed by the Issuer and the Agent (the "Outside Date"). The Agent shall hold subscription funds and agreements pending receipt of subscriptions for such number of Offered Shares. If subscriptions and subscription funds for 1,400,000 Offered Shares have not been received by the Agent on or before 5:00 pm (Vancouver time) on the Outside Date, no Closing will take place, and the Agent will return subscription funds to subscribers, without interest, penalty or other deduction;

(b) on or before the first Closing:

(i) Paul Leung ("Leung") will deliver certificates representing all Shares of which he is the registered or beneficial owner (including, without limitation, certificates representing 8,450,000 Shares of which he is presently the beneficial owner registered in the name of Matheson Trust (BVI) as trustee of the PAL Trust);

(ii) Daniel Fung ("Fung") will deliver certificates representing 250,000 Shares of which he is the registered and beneficial owner;

(iii) Kiffin Tam ("Tam") will deliver certificates representing 500,000 Shares of which he is the registered and beneficial owner;

(iv) Ian Miller ("Miller") will deliver certificates representing 1 million Shares of which he is the beneficial owner registered in the name of DA Holdings Inc.

(Leung, Fung, Tam, and Miller are collectively referred to as the "Seed Shareholders", and all such Shares are collectively referred to as the "Pooled Shares"), to be held by the Trustee according to the terms an agreement between theSeed Shareholders, the Issuer and the Trustee to be dated as of the date of the first Closing, and which will provide, among other things, that:

(i) the Trustee will hold the Pooled Shares in escrow;

(ii)the Trustee will release 10% of the Pooled Shares to the Seed Shareholders pro-rata according to the number of Pooled Shares each has delivered to the Trustee on that day which falls one year from the date of completion of the IPO;

(iii) the Trustee will release 20% of the Pooled Shares to the Seed Shareholders pro rata according to the number of Pooled Shares each has delivered to the Trustee on that day which falls two years from the date of completion of the IPO; and

(iv)the Trustee will release the balance of the Pooled Shares to the Seed Shareholders on that day which falls 30 months from the date of completion of the IPO;.

(c) the Issuer will have entered into agreements with each of the Purchasers and the Agent satisfactory in form and substance to the Agent providing for registration of the Offered Shares, the Corporate Finance Shares, and those Shares issued as part or all of the Agent's Fee, under any registration statement which the Issuer may file with the Securities and Exchange Commission under the *Securities Act of 1933*;

(d) the Issuer will take all necessary corporate action in order to validly create, issue and sell the Offered Shares to the Purchasers and the Corporate Finance Shares and the Shares issued as part or all of the Agent's Fee to the Agent, and to approve this Agreement, the Subscription Agreements, the Offering Memorandum and all other matters relating thereto.;

(e) the Issuer will make all necessary filings and obtain all necessary regulatory approvals to issue and sell the Offered Shares to the Purchasers, and the Corporate Finance Shares and the Shares issued as part or all of the Agent's Fee to the Agent, and such issue and sale will be exempt from the prospectus requirement of the Acts;

(f) on each Closing, the Issuer will have delivered to the Agent and its solicitors a favourable legal opinion of the Issuer's solicitors dated as of the date of such Closing, in form and substance acceptable to the Agent and its solicitors, as to all legal matters reasonably requested by the Agent relating to the business of the Issuer and the creation, issuance and sale of the Offered Shares and the Corporate Finance Shares and the Shares issued as part or all of the Agent's Fee;

(g) on each Closing, the Issuer will have delivered to the Agent a certificate of its President in form and substance satisfactory to the Agent, certifying such factual matters as the Agent may reasonably request;

(h) on each Closing, the Issuer will have delivered to the Agent and its solicitors such other certificates, comfort letters or opinions of its auditors or other experts who may have assisted in the preparation of the Offering Memorandum, or other documents relating to the Private Placement or the affairs of the Issuer as the Agent or its solicitors may reasonably request;

(i) the Agent shall, in its sole discretion, be satisfied with the results of its review of the business and affairs of the Issuer, and its principals and promoters;

(j) each representation and warranty of the Issuer which is contained in this Agreement shall continue to be true, and the Issuer shall have performed or complied with all of its covenants, agreements and obligations under this Agreement; and

(k) compliance by the Issuer and the Agent with all relevant statutory and regulatory requirements in connection with the Private Placement.

10. MATERIAL CHANGES

10.1 The Issuer agrees that if, between the date of this Agreement and the closing of the Issuer's initial public offering, a Material Change, or a change in a Material Fact occurs, the Issuer will as soon as practicable notify the Agent in writing, setting forth the particulars of such change.

10.2 If the Issuer is uncertain as to whether there has been a Material Change, or a change in a Material Fact, it will promptly provide the Agent with full particulars of the event giving rise to the uncertainty, and will consult with the Agent as to whether such event constitutes a Material Change, or a change in a Material Fact.

11. TERMINATION

11.1 The Agent may terminate its obligations under this Agreement and the obligations of the Purchasers under all or any of the subscription agreements in respect of which a Closing has not yet occurred by notice in writing to the Issuer at any time before the last Closing if:

(a) an adverse Material Change, or an adverse change in a Material Fact respecting the business or affairs of the Issuer, occurs or is announced by the Issuer;

(b) there is an event, accident, governmental law or regulation or other occurrence of any nature which, in the opinion of the Agent, seriously affects or will seriously affect the financial markets, the market for the Shares in particular, the business of the Issuer or the ability of the Agent to perform its obligations under this Agreement, or a Purchaser's decision to purchase the Offered Shares;

(c) following a consideration of the history, business, products, property or affairs of the Issuer and its principals and promoters, or of the state of the financial markets in general, or the state of the market for the Shares in particular, the Agent determines, in its sole discretion, that it is not in the interest of the Purchasers to complete the purchase and sale of the Offered Shares;

(d) an enquiry or investigation (whether formal or informal) in relation to the Issuer, or the Issuer's directors, officers or promoters, is commenced or threatened by an officer or official of any competent authority;

(e) any order to cease, halt or suspend trading (including an order prohibiting communications with persons in order to obtain expressions of interest) in the Shares or otherwise prohibiting or restricting the Private Placement is made by a competent regulatory authority and that order is still in effect;

(f) the Issuer is in breach of any term of this Agreement; or

(g) the Agent determines that any of the representations or warranties made by the Issuer in this Agreement is false or has become false.

11.2 The Agent's obligations hereunder will terminate within 90 days of the reference date of this Agreement, unless otherwise agreed in writing by the Agent.

12. WARRANTIES, REPRESENTATIONS AND COVENANTS

12.1 The Issuer warrants and represents to and covenants with the Agent that:

(a) the Issuer is a valid and subsisting corporation duly incorporated and in good standing under the laws of Washington;

(b) as at the date hereof and the date of the final Closing, the Issuer has no "subsidiaries", or "affiliated" companies, each within the meaning of the *Securities Act* (British Columbia), apart from Linux DA (Canada) Inc. (the "Subsidiary"), and does not otherwise own or control, directly or indirectly, any equity interest in any corporation, partnership or other form of business association apart from the Subsidiary;

(c) the minute books of the Issuer and the Subsidiary each contain all records of the proceedings of the meetings of the Issuer's and the Subsidiary's directors, shareholders and committees of directors since incorporation;

(d) the Issuer and the Subsidiary are each duly registered and licenced to carry on business in the jurisdictions in which it carries on business or owns property where so required by the laws of that jurisdiction;

(e) as at the date hereof, the authorized capital of the Issuer consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares of which 12,000,000 Shares and no Preferred Shares are issued and outstanding as fully paid and non-assessable;

(f) the Issuer is the registered and beneficial owner of all of the issued and outstanding shares in the capital of the Subsidiary;

(g) the Issuer will reserve or set aside sufficient shares in its treasury to issue the Offered Shares to be sold hereunder, the Corporate Finance Shares, and all Shares which may be issued as part of the Agent's Fee, and all such Shares will be duly and validly issued as fully paid and non-assessable;

(h) as at the date hereof and the date of the final Closing, the Issuer is not a "reporting issuer" within the meaning of the securities legislation of any province of Canada or the *Securities Act of 1934* (United States of America);

(i) as at the date hereof and the date of the final Closing, the Issuer is the beneficial owner of the properties, businesses, assets and intellectual property, or the interests in the properties, business assets and intellectual property which are referred to in the Offering Memorandum, all agreements by which the Issuer holds an interest in property, or a business, asset or intellectual property are in good standing according to their terms and such properties, businesses, assets and intellectual property are in good standing under applicable laws;

(j) the Offering Memorandum and all other written or oral representations made by the Issuer to a Purchaser or potential Purchaser in connection with the Private Placement will be accurate in all material respects and will omit no Material Fact;

(k) the unaudited financial statements of the Issuer for the period ended May 10, 2000 (the "Financial Statements") contained in the Offering Memorandum have been prepared in accordance with generally accepted accounting principles in Canada, accurately reflect the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of the Issuer, as of the dates thereof, and as at the date hereof and the date of the final Closing, and no adverse Material Changes in the financial position of the Issuer have taken place since the date of the Financial Statements, except in the ordinary course of the Issuer's business and as recorded in the books of the Issuer;

(l) since the date of the Financial Statements, there has not been any adverse Material Change of any kind whatsoever in the financial position or condition of the Issuer or any damage, loss or other change of any kind whatsoever in circumstances materially affecting the business or assets of the Issuer, or the right or capacity of the Issuer, to carry on its business, except as disclosed in the Offering Memorandum;

(m) as at the date hereof, no financial statements of the Issuer are publicly available as at any date or for any period subsequent to the Financial Statements;

(n) all of the material transactions of the Issuer have been promptly and properly recorded or filed in or with the books or records of the Issuer;

(o) as at the date hereof and the date of the final Closing, all of the material contracts of the Issuer are described in the Offering Memorandum and are in good standing in all material respects, and the

Issuer is not in default in any material respect thereof, and is not aware of any default in any material respect by any other party to such contracts;

(p) the Issuer has complied and will comply fully with the requirements of Applicable Legislation, the *Securities Act of 1933*, the *Securities Exchange Act of 1934*, Washington state securities law, and applicable corporate legislation, including without limitation the *Washington Business Corporations Act*, in relation to the issue of the Offered Shares and in all matters relating to the Private Placement;

(q) there is not presently, and will not be until the last Closing, any Material Change or change in any Material Fact relating to the Issuer which has not been or will not be fully disclosed to the Agent (and in an amendment to the Offering Memorandum, if adverse);

(r) the issue and sale of the Offered Shares by the Issuer and the Agent and the execution and delivery of this Agreement, the Subscription Agreements and the Offering Memorandum and the performance of the transactions contemplated thereby does not and will not conflict with, and does not and will not result in a breach of, any of the terms of the Issuer's incorporating documents or any agreement or instrument to which the Issuer is a party;

(s) as at the date hereof and the date of the final Closing, the Issuer is not a party to any actions, suits or proceedings which could materially affect its business or financial condition, and to the best of the Issuer's knowledge no such actions, suits or proceedings are contemplated or have been threatened;

(t) as at the date hereof and the date of the final Closing, there are no judgments against the Issuer which are unsatisfied, nor are there any consent decrees or injunctions to which the Issuer is subject;

(u) this Agreement has been duly authorized by all necessary corporate action on the part of the Issuer, and the Issuer has full corporate power and authority to undertake the Private Placement;

(v) the Issuer is not in default of any of the requirements of Applicable Legislation or the *Washington Business Corporations Act*;

(w) as at the date hereof and the date of the final Closing, no order ceasing, halting or suspending trading in Shares or prohibiting the sale of the Offered Shares has been issued to and is outstanding against the Issuer or, to the best of the Issuer's knowledge, has been issued and is outstanding against its directors, officers or promoters or against any other companies that have common directors, officers or promoters and to the best of the Issuer's knowledge, no investigations or proceedings for such purposes are pending or threatened;

(x) as at the date hereof and the date of the final Closing, except as disclosed in the Offering Memorandum, no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option:

   (i) for the issue or allotment of any unissued Shares or any other security convertible into or exchangeable for Shares, or to require the Issuer to purchase, redeem or otherwise acquire any of the issued and outstanding Shares; or

   (ii) for the issue or allotment of any unissued shares in the capital of the Subsidiary, or any other convertible into or exchangeable for such shares;

(y) the Issuer has filed all federal, state and foreign tax returns which are required to be filed, or have requested extensions thereof, and has paid all taxes required to be paid and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for such assessments, fines and penalties which are currently being contested in good faith;

(z) as at the date hereof and the date of the final Closing, the Issuer has established on its books and records reserves which are adequate for the payment of all taxes not yet due and payable and there are no liens for taxes on the assets of the Issuer except for taxes not yet due, and there are no audits of any of the tax returns of the Issuer which are known by the Issuer's management to be pending, and there are no claims which have been or may be asserted relating to any such tax returns which, if determined adversely, would result in the assertion by any governmental agency of any deficiency which would have a material adverse effect on the properties, business or assets of the Issuer;

(aa) this Agreement is a legal, valid and binding agreement of the Issuer, enforceable against the Issuer in accordance with its terms, subject only to customary qualifications regarding the availability of equitable remedies;

(ab) apart from the Agent, no person, firm or corporation acting or purporting to act at the request of the Issuer is entitled to any brokerage, agency or finder's fee in connection with the transactions described herein;

(ac) the Issuer owns or possesses adequate rights to use all material patents, trademarks, service marks, trade names, copyrights, trade secrets, information, proprietary rights and processes necessary for the business of the Issuer as now conducted and as proposed to be conducted, without any conflict with or infringement of the rights of others. The Issuer has received no communication alleging that the Issuer has violated or, by conducting its business as proposed, would violate any of the patents, trademarks, service marks, trade names, copyrights, or trade secrets or other proprietary rights of any other person or entity. To the best of the Issuer's knowledge, neither the execution or delivery of this Agreement nor the carrying on of the business of the Issuer by the employees of the Issuer, nor the conduct of the business of the Issuer will conflict with or result in a breach of the terms, conditions, or provisions of or constitute a default under, any contract, covenant, or instrument under which any of such employees is now obligated; and

(ad) there is no Substantial U.S market interest in any of the Issuer's securities, and the Issuer is a foreign issuer.

12.2 The representations and warranties of the Issuer contained herein will be true and correct at each Closing, will survive each Closing as provided herein, and no investigation by or on behalf of the Agent will diminish in any respect its right to rely on such representations and warranties.

12.3 The Agent warrants and represents to the Issuer that:

(a) it is a valid and subsisting corporation under the law of the jurisdiction in which it was incorporated;

(b) it is registered as a dealer (and in British Columbia, as an underwriter) and classified as a broker under Applicable Legislation; and

(c) it will sell the Offered Shares in compliance with Applicable Legislation.

13. EXPENSES OF AGENT

13.1 The Issuer will pay all of the expenses of the Private Placement and all the expenses reasonably incurred by the Agent in connection with the Private Placement, including the reasonable fees and expenses of the solicitors for the Agent. If legal fees (exclusive of disbursements and taxes) of the solicitors for the Agent reach $15,000, the Agent shall provide notice to the Issuer, and an estimate of the fees required to complete the retainer. The Issuer will have the opportunity to review and approve such estimate before such fees are incurred.

13.2 The Issuer will pay the expenses referred to in the previous Subsection even if the transactions contemplated by this Agreement are not completed or this Agreement is terminated, unless the failure of completion or the termination is the result of a breach of this Agreement by the Agent.

13.3 The Issuer authorizes the Agent to deduct its reasonable expenses in connection with the Private Placement from the gross proceeds of the Private Placement, including expenses for which an account has not yet been rendered.

14. GARNISHING ORDERS

14.1 If at any time, up to and including the last Closing, the Agent receives a garnishing order or other form of attachment purporting to attach or garnish a part or all of the sale price of any of the Offered Shares, the Agent will be free to pay the amount purportedly attached or garnished into court.

14.2 Any payment by the Agent into court pursuant to a garnishing order will be deemed to have been received by the Issuer as payment by the Agent against the sale price of the Offered Shares to the extent of the amount paid, and the Issuer will be bound to issue and deliver the Offered Shares proportionately to the amount paid by the Agent.

14.3 The Agent will not be bound to ascertain the validity of any garnishing order or attachment, or whether in fact it attaches any moneys held by the Agent, and the Agent will be free to act with impunity in replying to any garnishing order or attachment.

14.4 The Issuer will release, indemnify and save harmless the Agent in respect of all damages, costs, expenses or liability arising from any acts of the Agent under this Section.

15. INDEMNITY

15.1 The Issuer will indemnify the Agent and each of the Agent's agents, directors, officers and employees (collectively, the "Indemnified Parties") and save them harmless against all losses, claims, damages or liabilities:

(a) existing by reason of an untrue statement contained in the Offering Memorandum, subscription agreement or other written or oral representation made by the Issuer to a Purchaser or potential Purchaser in connection with the Private Placement, or by reason of the omission to state any fact necessary to make such statements or representations not misleading (except for information and statements supplied by and relating solely to the Agent);

(b) arising directly or indirectly out of any order made by any regulatory authority based upon an allegation that any such untrue statement or representation, or omission exists (except information and statements supplied by and relating solely to the Agent), that trading in or distribution of any of the Offered Shares is to cease;

(c) resulting from the failure by the Issuer to obtain any requisite regulatory approval for the Private Placement unless the failure to obtain such approval is the result of a breach of this Agreement by the Agent;

(d) resulting from any failure by the Issuer to file the Offering Memorandum or a report disclosing the distribution of the Offered Shares within the time limited by Applicable Legislation;

(e) resulting from the breach by the Issuer of any of the terms of this Agreement;

(f) resulting from any representation or warranty made by the Issuer herein being untrue or ceasing to be true;

(g) if the Issuer fails to issue and deliver the certificates representing the Offered Shares in the form and denominations satisfactory to the Agent at the time and place required by the Agent with the result that any completion of a sale of the Offered Shares does not take place; or

(h) if, following the completion of a sale of any of the Offered Shares, a determination is made by any competent authority setting aside the sale, unless that determination arises out of an act or omission by the Agent.

15.2 If any action or claim is brought against an Indemnified Party in respect of which indemnity may be sought from the Issuer pursuant to this Agreement, the Indemnified Party will promptly notify the Issuer in writing.

15.3 The Issuer will assume the defence of the action or claim, including the employment of counsel and the payment of all expenses.

15.4. The Indemnified Party will have the right to employ separate counsel, and the Issuer will pay the fees and expenses of such counsel.

15.5 The indemnity provided for in this Section will not be limited or otherwise affected by any other indemnity obtained by the Indemnified Party from any other person in respect of any matters specified in this Agreement and will continue in full force and effect until all possible liability of the Indemnified Parties arising out of the transactions contemplated by this Agreement has been extinguished by the operation of law.

15.6 If indemnification under this Agreement is found in a final judgment (not subject to further appeal) by a court of competent jurisdiction not to be available for reason of public policy, the Issuer and the Indemnified Parties will contribute to the losses, claims, damages, liabilities or expenses (or actions in respect thereof) for which such indemnification is held unavailable in such proportion as is appropriate to reflect the relative benefits to and fault of the Issuer, on the one hand, and the Indemnified Parties on the other hand, in connection with the matter giving rise to such losses, claims, damages, liabilities or expenses (or actions in respect thereof). No person found liable for a fraudulent Misrepresentation will be entitled to contribution from any person who is not found liable for such fraudulent Misrepresentation.

15.7 To the extent that any Indemnified Party is not a party to this Agreement, the Agent will obtain and hold the right and benefit of this section in trust for and on behalf of such Indemnified Party.

16. SELLING GROUP PARTICIPATION

The Agent may offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investments dealers, who may or who may not be offered part of the Agent's Fee, or other compensation paid or issued to the Agent hereunder.

17. NOTICE

17.1 Any notice under this Agreement will be given in writing and must be delivered, sent by facsimile transmission or mailed by prepaid post and addressed to the party to which notice is to be given at the address indicated above, or at another address designated by the party in writing.

17.2 If notice is sent by facsimile transmission or is delivered, it will be deemed to have been given at the time of transmission or delivery.

17.3 If notice is mailed, it will be deemed to have been received 48 hours following the date of mailing of the notice.

17.4 If there is an interruption in normal mail service due to strike, labour unrest or other cause at or prior to the time a notice is mailed the notice will be sent by facsimile transmission or will be delivered.

18. RIGHT OF FIRST REFUSAL

18.1 The Issuer will notify the Agent of the terms of any further brokered debt or equity financing that it requires or proposes to obtain in Canada for two years from the date of the final Closing, and the Agent will have the right of first refusal to provide any such financing.

18.2 Such rights must be exercised by the Agent within 15 days following the receipt of the notice by notifying the Issuer that it will provide the financing on the terms set out in the notice.

18.3 If the Agent fails to give notice within the 10 days that it will provide such financing, then the Issuer will then be free to make other arrangements to obtain financing from another source on the same terms or on terms no less favourable to the Issuer, subject to obtaining any required regulatory approvals.

18.4 The rights of first refusal will not terminate if, on receipt of any notice from the Issuer under this Section, the Agent fails to exercise the rights.

19. TIME

Time is of the essence of this Agreement and will be calculated in accordance with the provisions of the *Interpretation Act* (British Columbia).

20. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

The representations and warranties of the Issuer contained in this Agreement will survive the last Closing for a period of three years.

21. LANGUAGE

This Agreement is to be read with all changes in gender or number as required by the context.

22. ENUREMENT

This Agreement enures to the benefit of and is binding on the parties to this Agreement and their successors and permitted assigns.

23. HEADINGS

The headings in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement.

24. COUNTERPARTS

This Agreement may be executed in two or more counterparts and may be delivered by facsimile, each of which will be deemed to be an original and all of which will constitute one agreement, effective as of the reference date given above.

25. LAW

This Agreement is governed by the law of British Columbia, and the parties hereto irrevocably attorn and submit to the exclusive jurisdiction of the courts of British Columbia with respect to any dispute arising from or related to this Agreement.

This document was executed and delivered as of the date set forth above:

The common seal of LINUX DA INC. was hereunto affixed in the presence of:	)	
Authorized Signatory	)	c/s
Authorized Signatory	)	
The common seal of CANACCORD CAPITAL CORPORATION was hereunto affixed in ~~the presence~~ of:	)	
Authorized Signatory	)	c/s
Authorized Signatory	)	

Amendment No. 1 - Agency Agreement — Share Private Placement

THIS AGREEMENT dated for reference May 31, 2000, is made

BETWEEN

LINUX DA INC., 2795 – 152 Avenue NE, Redmond, Washington, 98052

(the "Issuer");

AND

CANACCORD CAPITAL CORPORATION, Suite 2200, 609 Granville Street, Vancouver, British Columbia, V7Y 1H2

(the "Agent");

WHEREAS:

A. The parties have entered into an agreement dated for reference May 11, 2000 concerning the sale of certain securities of the Issuer (the "Agency Agreement");

B. The parties wish to amend the Agency Agreement in the following manner;

THE PARTIES to this Agreement therefore agree:

1. Section 8, headed "Closings", of the Agency Agreement is amended by adding the following two subsections:

8.8 The Agent, and any subagent participating pursuant to Section 16 hereof, who sells the Offered Shares to a distributor, a dealer (as defined in section 2(a)(12) of the *Securities Act of 1933*) or a person receiving a selling concession, fee or other remuneration, prior to the expiration of one year following the final Closing, shall send a confirmation or other notice to the purchaser stating that the purchaser is subject to the same restrictions on offers and sales that apply to a distributor under Regulation S promulgated under the *Securities Act of 1933*.

8.9 All Corporate Finance Shares and Offered Shares shall bear and be subject to the terms of the following legend:

> THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "ACT") OR APPLICABLE STATE SECURITIES LAWS, AND THE TRANSFER THEREOF IS PROHIBITED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S UNDER THE ACT, PURSUANT TO REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM SUCH REGISTRATION. HEDGING TRANSACTIONS INVOLVING THESE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE ACT.

2. Subsection 9.1(a) is deleted, and replaced with the following:

(a) receipt by the Agent of subscriptions and subscription funds for a minimum of 2,800,000 Offered Shares on or before July 24, 2000, or such later date as may be agreed by the Issuer and the Agent (the "Outside Date"). The Agent shall hold subscription funds and agreements pending receipt of subscriptions for such number of Offered Shares. If subscription and subscription funds for 2,800,000 Offered Shares have not been received by the Agent on or before 5:00 pm (Vancouver time) on the Outside Date, no Closing will take place, and the Agent will return subscription funds to subscribers, without interest, penalty or other deduction;

3. Subsection 11.2 is deleted, and replaced with the following:

11.2 The Agent's obligations hereunder will terminate on August 23, 2000, unless otherwise agreed in writing by the Agent.

4. Subsection 12.1(h) is deleted, and replaced with the following:

(h) as at the date hereof and the date of the final Closing, the Issuer is not a "reporting issuer" within the meaning of the securities legislation of any province of Canada or the *Securities Exchange Act of 1934* (United States of America);.

5. The word "and" is added after the semicolon at the conclusion of subsection 12.1(ab).

6. In subsection 12.1(ac), a period is inserted after the word "obligated" in the last line, and the semicolon and the word "and" which presently appear are deleted.

7. Subsection 12.1(ad) is deleted.

8. The Agency Agreement continues in full force and effect, as amended hereby.

9. This Agreement may be executed in two or more counterparts and may be delivered by facsimile, each of which will be deemed to be an original and all of which will constitute one agreement, effective as of the reference date given above.

This document was executed and delivered as of the 22 day of June, 2000:

The common seal of **LINUX DA INC.** was hereunto affixed in the presence of:)

Authorized Signatory) c/s

Authorized Signatory)

The common seal of **CANACCORD CAPITAL CORPORATION** was hereunto affixed in the presence of:)

Authorized Signatory) c/s

Authorized Signatory)

Amendment No. 2 - Agency Agreement — Share Private Placement

THIS AGREEMENT dated for reference July 19, 2000, is made

BETWEEN

LINUX DA INC., 2795 – 152 Avenue NE, Redmond, Washington, 98052

(the "Issuer");

AND

CANACCORD CAPITAL CORPORATION, Suite 2200, 609 Granville Street, Vancouver, British Columbia, V7Y 1H2

(the "Agent");

WHEREAS:

A. The parties have entered into an agreement dated for reference May 11, 2000 concerning the sale of certain securities of the Issuer as amended by Amendment No. 1 thereto dated for reference May 31, 2000 (the "Agency Agreement");

B. The parties wish to further amend the Agency Agreement, in the following manner;

THE PARTIES to this Agreement therefore agree:

1. Subsection 9.1(a) of the Agency Agreement is deleted, and replaced with the following:

   (a) receipt by the Agent of subscriptions and subscription funds for a minimum of 2,800,000 Offered Shares on or before August 23, 2000, or such later date as may be agreed by the Issuer and the Agent (the "Outside Date"). The Agent shall hold subscription funds and agreements pending receipt of subscriptions for such number of Offered Shares. If subscription and subscription funds for 2,800,000 Offered Shares have not been received by the Agent on or before 4:00 pm (Vancouver time) on the Outside Date, no Closing will take place, and the Agent will return subscription funds to subscribers, without interest, penalty or other deduction;

2. Subsection 11.2 of the Agency Agreement is deleted, and replaced with the following:

   11.2 The Agent's obligations hereunder will terminate on September 23, 2000, unless otherwise agreed in writing by the Agent.

3. The Agency Agreement continues in full force and effect, as amended hereby.

Amendment No. 3 - Agency Agreement — Share Private Placement

THIS AGREEMENT dated for reference August 23, 2000, is made

BETWEEN

LINUX DA INC., 2795 – 152 Avenue NE, Redmond, Washington, 98052

(the "Issuer");

AND

CANACCORD CAPITAL CORPORATION, Suite 2200, 609 Granville Street, Vancouver, British Columbia, V7Y 1H2

(the "Agent");

WHEREAS:

A. The parties have entered into an agreement dated for reference May 11, 2000 concerning the sale of certain securities of the Issuer as amended by Amendment No. 1 thereto dated for reference May 31, 2000, and by Amendment No. 2 dated for reference July 19, 2000 (the "Agency Agreement");

B. The parties wish to further amend the Agency Agreement, in the following manner;

THE PARTIES to this Agreement therefore agree:

1. Recital B is deleted, and replaced with the following:

   B. The Issuer wishes to privately place with purchasers a minimum of 1,400,000 and a maximum of 3,400,000 Shares (the "Offered Shares") at a price of $0.50 per Offered Share (the "Offering Price");".

2. Subsection 2.1 is deleted, and replaced with the following:

   2.1 The Issuer appoints the Agent as its exclusive agent and the Agent accepts the appointment and agrees to act as exclusive agent of the Issuer to use its best efforts to find and introduce to the Issuer potential purchasers to purchase a minimum of 1,400,000 and a maximum of 3,400,000 Offered Shares, at the Offering Price, by way of private placement under the Exemptions.

3. Subsection 2.3 is deleted, and replaced with the following:

   2.3 The Issuer agrees with the Agent that the Issuer will use its best efforts to:

   (a) complete an initial public offering of its Shares in the United States (with a portion to be sold in Canada, as provided below), and obtain quotation of its Shares on the NASDAQ National Market System, the NASDAQ SmallCap Market, or such other recognized stock exchange in the United States as is acceptable to the Agent, acting reasonably; or if it has not entered into an enforceable agreement with a broker-dealer with appropriate registrations in the United States to assist it with such an offering by January 31, 2002;

   (b) as soon as reasonably possible after such date, complete an initial public offering of its Shares in the Selling Provinces and such other Canadian provinces as the Agent may require, acting reasonably, and to obtain a listing of its Shares on a recognized stock exchange in Canada satisfactory to the Agent, acting reasonably (the "Exchange").

(either such initial public offering is herein referred to as the "IPO").

4. Subsection 4(b) is deleted, and replaced with the following:

(b) to issue to the Agent on the final Closing:

(i) if the gross proceeds of the sale of the Offered Shares pursuant to the Private Placement is $1,400,000 or more, 300,000 Shares; or

✓ (ii) if the gross proceeds of the sale of the Offered Shares pursuant to the Private Placement is less than $1,400,000, 200,000 Shares

(the Shares referred to in (i) and (ii) above are hereinafter referred to as the "Corporate Finance Shares"); and

5. Subsection 7.2 is deleted, and replaced with the following:

"7.2 Subject to the following sentence, the Issuer will accept each properly completed subscription agreement tendered by the Agent, unless the subscriber thereunder would, by virtue of ownership of the Offered Shares subscribed for, become a "control person" of the Issuer, within the meaning of the *Securities Act* (British Columbia), or unless its directors, acting reasonably, are of the opinion that to accept such subscription would not be in the best interests of the Issuer. If the Minimum Offering is obtained, the Issuer may, in its sole discretion, determine to close subscriptions no earlier than three business days after the giving of the notice of closure to the Agent."

6. Subsection 8.1(a) is deleted, and replaced with the following:

(a) "Certificates" means certified copies of the certificates representing the Offered Shares, and those Shares issued to the Agent as part or all of the Agent's Fee, sold or issued on a Closing, and on the final Closing includes certified copies of the certificates representing the Corporate Finance Shares; and

7. Subsection 8.6 is deleted, and replaced with the following:

8.6 Except as provided herein and in the IPO Agency Agreement, the Issuer will not, from the date of the final Closing to that day which falls 120 days from the date of closing of the Issuer's initial public offering, issue or announce the issue of any Shares or warrants or options to purchase Shares, apart from:

(a) the grant of options to purchase Shares to directors, officers, employees or consultants of the Issuer pursuant to the Issuer's stock option plan, as described in the Offering Memorandum and the issue of Shares pursuant to such options; or

(b) the exercise of options or warrants which are outstanding as at the date hereof.

without the consent of the Agent, such consent not to be unreasonably withheld.

8. Subsection 8.7 is deleted, and replaced with the following:

8.7 If the Issuer

(a) issues 300,000 Corporate Finance Shares to the Agent on the final Closing pursuant to Subsection 4(b)(i), then on the final closing, the Issuer will deliver Certificates representing 200,000 of the Corporate Finance Shares to the Trustee; or

√ (b) issues 200,000 Corporate Finance Shares to the Agent on the final Closing pursuant to Subsection 4(b)(ii), then on the final closing, the Issuer will deliver Certificates representing 100,000 of the Corporate Finance Shares to the Trustee
200,000

(Corporate Finance Shares delivered to the Trustee pursuant to Subsection 8.7(a) or 8.7(b) are hereinafter referred to as the "Escrowed Shares")

to the Trustee, to be held by the Trustee according to the terms of an agreement to be entered into between the Issuer, the Agent and the Trustee on or before the final Closing, and which will provide, among other things, that:

(a) the Trustee will hold the Escrowed Shares in escrow;

(b) the Trustee will release 50% of the Escrowed Shares to the Agent on that day which falls 3 business days from the day on which the Issuer notifies the Trustee that it has completed a further financing of at least Cdn. $700,000 on a basis exempt from the Prospectus requirements of the Acts; and

(c) the Trustee will:

   (i) release the balance of the Escrowed Shares to the Agent on that day which falls 3 business days from the day on which the Agent notifies the Trustee that the Issuer has completed the IPO on the basis provided in Section 2.3 (b) hereof: or

   (ii) release 50% of the balance of the Escrowed Shares to the Agent on that day which falls 3 business days from the day the Agent notifies the Trustee that the Issuer has completed the IPO on the basis provided in Section 2.3(a) hereof, and return the balance of the Escrowed Shares to the Issuer for cancellation;

   (iii) return those of the Escrowed Shares which have not been released on or before December 31, 2002 to the Issuer for cancellation.

9. Subsection 9.1(a) of the Agency Agreement is deleted, and replaced with the following:

(a) receipt by the Agent of subscriptions and subscription funds for a minimum of 1,400,000 Offered Shares on or before September 8, 2000, or such later date as the Issuer may, in its sole discretion, designate, but in any event no later than September 22, 2000 (the "Outside Date"). The Agent shall hold subscription funds and agreements pending receipt of subscriptions for such number of Offered Shares. If subscription and subscription funds for 1,400,000 Offered Shares have not been received by the Agent on or before 4:00 pm (Vancouver time) on the Outside Date, no Closing will take place, and the Agent will return subscription funds to subscribers, without interest, penalty or other deduction;

10. Subsection 9.1(b)(i) is deleted, and replaced with the following:

   (i) Paul Leung ("Leung") will deliver certificates representing 8,030,000 Shares of which he is the registered or beneficial owner (which includes Shares of which he is presently the beneficial owner registered in the name of Matheson Trust (BVI) as trustee of the PAL Trust);

11. Subsection 12.1(k) is deleted, and replaced with the following:

(k) the unaudited financial statements of the Issuer for the period ended June 31, 2000 (the "Financial Statements") contained in the Offering Memorandum have been prepared in accordance with generally accepted accounting principles in Canada, accurately reflect the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of the Issuer, as of the dates thereof, and as at the date hereof and the date of the final Closing, and no adverse Material Changes in the financial position of the Issuer have taken place since the date of the Financial Statements, except in the ordinary course of the Issuer's business and as recorded in the books of the Issuer;

12. The Agency Agreement continues in full force and effect, as amended hereby.

13. This Agreement may be executed in two or more counterparts and may be delivered by facsimile, each of which will be deemed to be an original and all of which will constitute one agreement, effective as of the reference date given above.

This document was executed and delivered as of the date set forth above:

The common seal of **LINUX DA INC.** was hereunto affixed in the presence of:

____
Authorized Signatory

____
Authorized Signatory

c/s

The common seal of **CANACCORD CAPITAL CORPORATION** was hereunto affixed in the presence of:

____
Authorized Signatory

____
Authorized Signatory

c/s