AGENCY AGREEMENT

May 16, 2006

Bolcar Énergie Inc.
11 Charlevoix Street
Suite A106
Montréal, Québec H3J 2V9

Attention: President

Dear Sirs:

Re: Private Placement of Units

Canaccord Capital Corporation (the "Agent") understands that:

(a) Bolcar Énergie Inc. (the "Corporation") is authorized to issue an unlimited number of Common Shares (as hereinafter defined);

(b) as at May 16, 2006, 5,613,332 Common Shares were outstanding as fully paid and non-assessable shares and an aggregate of 380,000 Common Shares were reserved for issue pursuant to outstanding options, warrants, share incentive plans, convertible and exchangeable securities and other rights to acquire Common Shares; and

(c) the Corporation is prepared to issue and sell 10,294,118 units of the Corporation, at a price of $0.17 per unit for a gross proceeds of $1,750,000.06 (individually a "Unit" or an "Offered Security" and collectively the "Units" or the "Offered Securities"), each Unit being comprised of one Common Share and one half of one Common Share purchase warrant (each Common Share purchase warrant a "Warrant" and collectively the "Warrants"), each Warrant being exercisable to acquire one Common Share at an exercise price of $0.22 for a period of 24 months after the Closing Date (as hereinafter defined), on the terms and subject to the conditions contained hereinafter.

Based upon the understanding of the Agent set out above and upon the terms and subject to the conditions contained hereinafter, upon the acceptance hereof by the Corporation, the Corporation hereby appoints the Agent to act as the sole and exclusive agent of the Corporation to solicit, on a best efforts basis, offers to purchase the Offered Securities, and the Agent hereby agrees to act as such agent. It is understood and agreed that the Agent is under no obligation to purchase any of the Offered Securities.

The terms and conditions of this Agreement are as follows:

1. **Definitions, Interpretation and Schedules**

(a) Definitions: Whenever used in this Agreement:

(i) "Agent" means Canaccord Capital Corporation;

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

(iii) "Ancillary Documents" means all agreements, indentures, certificates (including the Warrant Certificates and the Broker Warrant 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 and includes the Subscription Agreements;

(iv) "Auditor" means Schwartz Levitsky Feldman, the auditor of the Corporation;

(v) "Broker Shares" means the Common Shares which may be issued on the exercise of the Broker Warrants;

(vi) "Broker Warrant Certificates" means the certificates representing the Broker Warrants;

(vii) "Broker Warrants" means the non-transferable broker warrants which will entitle the Agent to acquire in the aggregate Common Shares equal in number to 10% of the number of Offered Securities sold, at any time commencing on the Closing Date and prior to 5:00 p.m. (Montréal time) on the date which is 24 months after the Closing Date, at an exercise price of $0.17 per Common Share;

(viii) "Business Day" means a day which is not a Saturday, Sunday or a statutory or civic holiday in the City of Montréal, Province of Québec;

(ix) "Closing" means the purchase and sale of the Offered Securities subscribed for by the Purchasers pursuant to the Subscription Agreements;

(x) "Closing Date" means May 16, 2006 or such other date as the Corporation and the Agent may mutually agree upon in writing;

(xi) "Closing Time" means 8:00 a.m. (Montréal time) on the Closing Date or such other time on the Closing Date as the Corporation and the Agent may mutually agree upon;

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

(xiii) "Corporation" means Bolcar Énergie Inc., a corporation incorporated under the *Canada Business Corporations Act*, and includes any successor corporation thereto;

(xiv) "Filing Statement" means the filing statement prepared by the Corporation pursuant to the rules and policies of the Stock Exchange in connection with its acquisition of the outstanding Common Class "A" shares of the Subsidiary, drafts of which have been provided to the Agent;

(xv) "Information" means all information regarding the Corporation that is, or becomes, publicly available together with all information prepared by the Corporation and provided to the Agent or to potential purchasers of the Offered Securities, if any, and includes, but is not limited to, all material change reports, press releases and financial statements of the Corporation;

(xvi) "Offered Securities" means

(xvii) 10,294,118 Units to be issued and sold at the Purchase Price under the Offering;

(xviii) "Offering" means the offering for sale by the Corporation on a private placement basis of the Offered Securities;

(xix) "Offering Jurisdictions" means the Provinces of British Columbia, Alberta, Ontario and Québec, and such other provinces and territories of Canada and other jurisdictions outside of Canada and the United States as may be mutually agreed upon by the Agent and the Corporation;

(xx) "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;

(xxi) "Purchase Price" means the price to be paid by the Purchasers for each Offered Security under the Offering, being $0.17 per Offered Security;

(xxii) "Purchasers" means the purchasers of the Offered Securities, collectively;

(xxiii) "Québec Act" means the *Securities Act* (Québec) and the regulations thereunder, together with the instruments, policies, rules, orders, codes, notices and interpretation notes of the Autorité des Marchés Financiers, as amended, supplemented or replaced from time to time;

(xxiv) "Reporting Provinces" means the Provinces of Québec, British Columbia, Ontario and Alberta, collectively;

(xxv) "Securities Commissions" means the securities regulatory authorities of the Offering Jurisdictions, collectively;

(xxvi) "Securities Laws" means the securities legislation and regulations of, and the instruments, policies, rules, orders, codes, notices and interpretation notes of the securities regulatory authorities (including the Stock Exchange) of, the applicable jurisdiction or jurisdictions, collectively;

(xxvii) "Stock Exchange" means the TSX Venture Exchange;

(xxviii) "Subject Shares" means the Unit Shares, the Warrant Shares and the Broker Shares, collectively;

(xxix) "Subscription Agreements" means the subscription agreement to be entered into between the Corporation and each of the Purchasers with respect to the purchase of the Offered Securities, collectively;

(xxx) "Subsidiary" means AAER Systems Inc.;

(xxxi) "Units" means the units of the Corporation being offered for sale under the Offering, each Unit being comprised of one Unit Share and one half of one Warrant;

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

(xxxiii) "Warrant Certificates" means the certificates representing the Warrants;

(xxxiv) "Warrant Shares" means the Common Shares which may be issued upon the exercise of the Warrants; and

(xxxv) "Warrants" means the warrants of the Corporation comprising part of the Units, each Warrant entitling the holder thereof to acquire one Warrant Share at any time from the date of issue of the Warrants until 5:00 p.m. (Montréal time) on the date which is 24 months after the Closing Date, at an exercise price of $0.22 per Warrant Share, subject to adjustment.

(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 Québec 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	Legal Opinion
B	Officers' Certificate

2. **The Offered Securities**

(a) Offered Securities: The Offered Securities are up to 10,294,118 Units.

(b) The Warrants: The terms and conditions, and the material attributes and characteristics, of the Warrants shall be satisfactory to the Corporation and the Agent and consistent with the provisions of this Agreement. Such terms and conditions, and material attributes and characteristics, will be contained in the Warrant Certificates which will contain, among other things, anti-dilution provisions and provisions for the appropriate adjustment in the class and number of Warrant Shares or other securities to be received on the exercise of Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares or any payment of dividends or the amalgamation of, or other reorganization involving, the Corporation. Subject to adjustment in accordance with the provisions of the Warrant Certificates, each Warrant shall entitle the holder thereof to purchase one Warrant Share at any time commencing on the Closing Date and prior to 5:00 p.m. (Montréal time) on the date which is 24 months after the Closing Date at an exercise price of $0.22 per Warrant Share.

3. **The Offering**

(a) Sale on Exempt Basis: The Agent will use the best efforts thereof to arrange for Purchasers in the Offering Jurisdictions. The Agent shall offer for sale on behalf of the Corporation the Offered Securities in the Offering Jurisdictions in compliance with the Securities Laws of the Offering Jurisdictions and only to such Persons and in such manner so that, pursuant to the provisions of the Securities Laws of the Offering Jurisdictions, no prospectus, registration statement or offering memorandum or other similar document need be filed with, or delivered to, any Securities Commission in any Offering Jurisdiction in connection therewith.

(b) Agency Group: The Corporation agrees that, subject to the consent of the Corporation, such consent not to be unreasonably withheld, the Agent has the right to invite one or more investment dealers to form an agency group to participate in the soliciting of offers to purchase the Offered Securities. The Agent shall have the exclusive right to control all compensation arrangements between the members of the agency group, provided that in no case shall the Corporation be bound to pay to the Agent or any member of the agency group aggregate consideration in excess of the consideration contemplated by Sections 7 and 12 hereof. The Corporation grants all of the rights and benefits of this Agreement to any investment dealer who is a member of any agency group formed by the Agent and appoints the Agent as trustee of such rights and benefits for all such investment dealers, and the Agent hereby accepts such trust and agrees to hold such rights and benefits for and on behalf of all such investment dealers.

(c) Covenants of the Agent: The Agent covenants with the Corporation that (i) it will comply with the Securities Laws of the Offering Jurisdictions in which it solicits or procures subscriptions for Offered Securities in connection with the Offering, (ii) it will not solicit or procure subscriptions for Offered Securities so as to require the registration thereof or the filing of a prospectus with respect thereto under the laws of any jurisdiction, and (iii) it will obtain from each Purchaser an executed subscription agreement in a form acceptable to the Corporation and the Agent, acting reasonably. The Agent represents and warrants that it is, and each member of any agency group formed by the Agent is, qualified to so act in the Offering Jurisdictions in which such member solicits or procures subscriptions for the Offered Securities.

(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 Offered Securities may lawfully occur in the Offering Jurisdictions without the necessity of filing a prospectus or an offering memorandum in Canada and the Agent undertakes to use the commercially reasonable efforts thereof to cause the Purchasers of the Offered Securities 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 Agent shall (i) provide to prospective purchasers of Offered Securities 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 Offered Securities, including but not limited to, causing the sale of the Offered Securities 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 the Internet, or otherwise, or conduct any seminar or meeting relating to any offer and sale of the Offered Securities whose attendees have been invited by a general solicitation or general advertising.

4. **Due Diligence**

The Corporation shall allow the Agent to conduct all due diligence investigations, including meeting with senior management of the Corporation and the Auditor, as the Agent shall consider appropriate in connection with the Offering.

5. **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 Unit Shares, to create and issue the Warrants and the Broker Warrants and to reserve for issue and conditionally issue the Warrant Shares and the Broker Shares, and a certified copy of all such resolutions shall have been delivered by the Corporation to the Agent;

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

A. a favourable legal opinion of special counsel to the Corporation, Lapointe Rosenstein, General Partnership, who may rely on opinions of local counsel acceptable to the Agent, addressed to, among others, the Agent and the Purchasers substantially in the form of the opinion attached hereto as schedule A,

B. a certificate dated the Closing Date signed by an appropriate officer of the Corporation and addressed to, among others, the Agent 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 Agent 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 Agent and the Purchasers signed by the chief executive officer and the chief financial officer of the Corporation or any two other senior officers of the Corporation acceptable to the Agent substantially in the form of the certificate attached hereto as schedule B,

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

E. definitive certificates representing the Unit Shares and the Warrants registered in the names of the Purchasers or in such other name or names as the Purchasers or the Agent may direct,

F. definitive certificates representing the Broker Warrants registered in the name of the Agent or in such other name or names as the Agent may direct, and

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

all in form and substance satisfactory to the Agent;

(iii) the Agent shall have delivered or cause to be delivered to the Corporation

A. payment of the aggregate Purchase Price for the Units purchased by the Purchasers net of the expenses payable by the Corporation to the Agent as provided in section 12 of this Agreement against delivery from the Corporation to the Agent of a receipt for the aggregate net Purchase Price for the Units, and

B. 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.

6. **Closing**

(a) Closing: The Closing shall be completed at the offices of Lapointe Rosenstein, L.L.P. at the Closing Time on the Closing Date.

(b) Conditions of Closing: The following are conditions precedent to the obligation of the Agent to complete the Closing and of the Purchasers to purchase the Offered Securities, which conditions the Corporation hereby covenants and agrees to use the best efforts thereof to fulfill within the time set out herein therefor, and which conditions may be waived in writing in whole or in part by the Agent:

(i) the Corporation shall have received all necessary approvals and consents, including all necessary regulatory approvals and consents (including those of the Stock Exchange) required for the completion of the transaction contemplated by this Agreement, all in a form satisfactory to the Agent, and the Stock Exchange shall have conditionally approved the listing thereon of the Subject Shares, subject to the fulfillment of normal conditions;

(ii) receipt by the Agent of the documents set forth in section 5 of this Agreement to be delivered to the Agent;

(iii) 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;

(iv) 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

(v) the Agent not having previously terminated the obligations thereof pursuant to this Agreement.

7. **Fee**

(a) Cash Payment: In consideration of the agreement of the Agent to act as Agent of the Corporation in respect of the Offering, and in consideration of the services performed and to be performed by the Agent in connection therewith, including, without limitation:

(i) acting as Agent of the Corporation to solicit, on a best efforts basis, offers to purchase the Offered Securities;

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

(iii) advising the Corporation with respect to the private placement of the Offered Securities;

the Corporation shall pay to the Agent or as the Agent may otherwise direct at the Closing Time against receipt of payment of the purchase price for the Offered Securities, a commission equal to 10% of gross proceeds of the Offered Securities sold under the Offering.

(b) Broker Warrants: As additional consideration for the services performed and to be performed by the Agent hereunder, the Corporation shall issue to the Agent or as the Agent may otherwise direct at the Closing Time, Broker Warrants which entitle the Agent to acquire in the aggregate Common Shares equal in number to 10% of the number of Offered Securities sold under the Offering, in form and substance satisfactory to the Agent.

(c) Common Shares: As additional consideration for the services performed and to be performed by the Agent hereunder, the Corporation shall issue to the Agent 300,000 Common Shares at the Closing Time.

8. **Representations and Warranties**

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

(a) Incorporation and Organization: Each of the Corporation and the Subsidiary has been incorporated and organized and is a valid and subsisting corporation under the laws of its jurisdiction of incorporation and 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 the Ancillary Documents and to carry out the obligations thereof hereunder and thereunder.

(b) Extra-provincial Registration: Each of the Corporation and the Subsidiary is licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of the property or assets thereof owned or leased or the nature of the activities conducted by it make licensing, registration or qualification necessary and is carrying on the business thereof in material compliance 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 May 16, 2006, 5,613,332 Common Shares were issued and outstanding as fully paid and non-assessable shares.

(d) Listing: The Common Shares are, and at the time of issue of the Offered Securities will be, listed on the Stock Exchange and the Subject Shares will, at the time of issue of the Offered Securities, have been conditionally listed on the Stock Exchange. Except as disclosed in the Filing Statement or as publicly disclosed by the Corporation, the Corporation has not issued, or agreed to issue, any Common Shares or any securities exchangeable or exercisable for, or convertible into, Common Shares at an effective price per Common Share which is less than the Purchase Price during the 60 day period immediately preceding the date hereof.

(e) Certain Securities Law Matters: The Common Shares are listed only on the Stock Exchange, the Corporation is a reporting issuer or the equivalent only in the Reporting Provinces and, except for the failure of the Corporation to convene its 2005 annual meeting of shareholders within the prescribed delays, is not in default of any requirement of the Securities Laws of any of such provinces and the Common Shares are not registered under the *Securities Exchange Act of 1934* (United States), as amended.

(f) Resale of Securities: Aside from any escrow requirements which may be imposed upon certain Purchasers by the Stock Exchange, none of the Subject Shares or the Warrants will be subject to a restricted period or statutory hold period under the Securities Laws of the Offering Jurisdictions or to any resale restriction under the policies of the Stock Exchange which extends beyond four months and one day after the Closing Date.

(g) Rights to Acquire Securities: 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 as disclosed in the Filing Statement or as publicly disclosed by the Corporation.

(h) Rights Plan: The directors of the Corporation have not adopted a shareholder rights plan or a similar plan and the Corporation is not party to what is commonly referred to as a shareholder rights plan agreement.

(i) No Pre-emptive Rights: The issue of the Offered Securities 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.

(j) Offered Securities: The execution of this Agreement and the Subscription Agreements and the issue by the Corporation to the Purchasers of the Offered Securities in the manner contemplated by this Agreement will be exempt from the registration and prospectus requirements of Securities Laws.

(k) Subsidiary: On the Closing Date, the Subsidiary shall be the only subsidiary of the Corporation.

(l) Capital of Subsidiary: All of the outstanding shares of the Subsidiary are issued and outstanding as fully paid and non-assessable shares and, on the Closing Date, shall be legally and beneficially owned by the Corporation, and, on the Closing Date, no Person shall have 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 Subsidiary or for the purchase or acquisition of any of the outstanding shares or other securities of the Subsidiary.

(m) Issue of Offered Securities: All necessary corporate action has been taken to authorize the issue and sale of, and the delivery of certificates representing, the Offered Securities and, upon payment of the requisite consideration therefor, the Unit Shares will be validly issued as fully paid and non-assessable shares, the Warrants will be validly issued and, upon the issue thereof, the Warrant Shares will be validly issued as fully paid and non-assessable shares.

(n) Consents, Approvals and Conflicts: None of the offering and sale of the Offered Securities, the execution and delivery of this Agreement or the Ancillary Documents, the compliance by the Corporation with the provisions of this Agreement and the Ancillary Documents or the consummation of the transactions contemplated herein and therein including, without limitation, the issue of the Offered Securities to the Purchasers for the consideration and upon the terms and conditions as set forth herein and the issue of the Warrant Shares for the consideration and upon the terms and conditions set forth in the Warrant Certificates, 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 the Securities Laws of the Offering Jurisdictions and the policies of the Stock Exchange and will be obtained by the Closing Date, or (ii) 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 or the Subsidiary is a party or by which any of them or any of the properties or assets thereof is bound, or the articles or by-laws or any other constating document of the Corporation or the Subsidiary or any resolution passed by the directors (or any committee thereof) or shareholders of the Corporation or the Subsidiary, or any statute or any judgment, decree, order, rule, policy or regulation of any court, governmental authority, arbitrator, stock exchange or securities regulatory authority applicable to the Corporation or the Subsidiary 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 of the Corporation and the Subsidiary on a consolidated basis.

(o) Authority and Authorization: The Corporation has full corporate power and authority to enter into this Agreement and the Ancillary Documents and to do all acts and things and execute and deliver all documents as are required hereunder and thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof and thereof and the Corporation has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and the Ancillary Documents and to observe and perform the provisions of this Agreement and the Ancillary Documents in accordance with the provisions hereof and thereof including, without limitation, the issue of the Offered Securities to the Purchasers for the consideration and upon the terms and conditions set forth herein and the issue of the Warrant Shares for the consideration and upon the terms and conditions set forth in the Warrant Certificates.

(p) Validity and Enforceability: Each of this Agreement and, upon being executed by the Corporation, the Subscription Agreements has been or will be authorized, 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 the terms thereof and, upon being executed and delivered, each of the Warrant Certificates will constitute a valid and legally binding obligation of the Corporation enforceable against the Corporation in accordance with the terms thereof.

(q) Broker Warrants:

(i) The Corporation has all requisite corporate power and authority to issue the Broker Warrants and to enter into, execute and deliver and to carry out the obligations thereof under the Broker Warrant Certificates. All necessary corporate action has been taken by the Corporation to authorize the issue of the Broker Warrants in accordance with the terms and conditions hereof and, when issued, the Broker Warrants will be validly issued, and to authorize the creation, execution and delivery of the Broker Warrant Certificates and to observe and perform the provisions of the Broker Warrant Certificates in accordance with the provisions thereof including, without limitation, the issue of the Broker Shares for the consideration and upon the terms and conditions set forth in the Broker Warrant Certificates.

(ii) The Broker Warrant Certificates constitute valid and legally binding obligations of the Corporation enforceable against the Corporation in accordance with the terms thereof. None of the issue of the Broker Warrants, the execution and delivery of the Broker Warrant Certificates, the compliance by the Corporation with the provisions of the Broker Warrant Certificates or the consummation of the transactions contemplated therein including, without limitation, the issue of the Broker Shares for the consideration and upon the terms and conditions set forth in the Broker Warrant Certificates, 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 the Securities Laws of the Offering Jurisdictions and the policies of the Stock Exchange and will be obtained by the Closing Date, or (ii) 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 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, 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 of the Corporation.

(iii) None of the issue of the Broker Warrants or the Broker Shares will 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.

(iv) The issue by the Corporation to the Agent of the Broker Warrants will be exempt from the registration and prospectus requirements of the Securities Laws of the Province of Québec. The Broker Shares will not be subject to a restricted period or statutory hold period under the Securities Laws of the Province of Québec or to any resale restrictions under the policies of the Stock Exchange which extends beyond four months and one day after the Closing Date.

(r) Public Disclosure: Each of the documents issued as of the date hereof which contains any of the Information is, as of the date thereof, in compliance in all material respects with the Securities Laws of the Reporting Provinces and did not 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 and such documents collectively constitute full, true and plain disclosure of all material facts relating to the Corporation and do not 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, as of the date hereof. There is no fact known to the Corporation which the Corporation has not publicly disclosed which materially adversely affects, or so far as the Corporation can reasonably foresee, will materially adversely affect, the assets, liabilities (contingent or otherwise), capital, affairs, business, prospects, operations or condition (financial or otherwise) of the Corporation or the ability of the Corporation to perform its obligations under this Agreement or the Ancillary Documents or which would otherwise be material to any Person intending to make an equity investment in the Corporation.

(s) Timely Disclosure: The Corporation is in compliance with all timely disclosure obligations under the Securities Laws of the Reporting Provinces and, without limiting the generality of the foregoing, there has not occurred any material adverse change in the assets, liabilities (contingent or otherwise), capital, affairs, business, prospects, operations or condition (financial or otherwise) of the Corporation which has not been publicly disclosed.

(t) Accounting Controls: The Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are completed in accordance with the general or a specific authorization of management of the Corporation; (ii) transactions are recorded as necessary to permit the preparation of financial statements for the Corporation in conformity with Canadian generally accepted accounting principles and to maintain asset accountability; (iii) access to assets of the Corporation is permitted only in accordance with the general or a specific authorization of management of the Corporation; and (iv) the recorded accountability for assets of the Corporation is compared with the existing assets of the Corporation at reasonable intervals and appropriate action is taken with respect to any differences therein.

(u) 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.

(v) Financial Statements: The audited financial statements of the Corporation for the year ended December 31, 2005, together with the auditors' report thereon and 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 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.

(w) Changes in Financial Position: Since December 31, 2005, none of:

(i) the Corporation or the Subsidiary has paid or declared any dividend or incurred any material capital expenditure or made any commitment therefor;

(ii) the Corporation or the Subsidiary has 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 or the Subsidiary has entered into any material transaction;

except in each case as disclosed in the Information or in the Filing Statement or in connection with the transactions contemplated by the Filing Statement.

(x) Insolvency: Except for the conversion of debt by the Subsidiary into an aggregate of 14,167,372 Common Class "A" shares and the grant by the Subsidiary to various Persons of options to acquire an aggregate of 18,007,875 Common Class "A" shares, neither the Corporation nor the Subsidiary has committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any legislation, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to be declared bankrupt or wound up, taken any proceeding to have a receiver appointed of any of the assets thereof, had any Person holding any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement or other security interest or receiver take possession of any of the property thereof, had an execution or distress become enforceable or levied upon any portion of the property thereof or had any petition for a receiving order in bankruptcy filed against it.

(y) No Contemplated Changes: Except as disclosed in the Information or in the Filing Statement, none of the Corporation or the Subsidiary has approved, is contemplating, has entered into any agreement in respect of, or has any knowledge of:

(i) 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 or the Subsidiary whether by asset sale, transfer of shares or otherwise;

(ii) 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 the Subsidiary or otherwise) of the Corporation or the Subsidiary; or

(iii) 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 or the Subsidiary.

(z) Taxes and Tax Returns: The Corporation and the Subsidiary have filed in a timely manner all necessary tax returns and notices and have 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 none of the Corporation or the Subsidiary is 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 prospects of the Corporation and the Subsidiary on a consolidated basis 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 any of them or the payment of any material tax, governmental charge, penalty, interest or fine against any of them. There are no material actions, suits, proceedings, investigations or claims now threatened or pending against the Corporation or the Subsidiary 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 Subsidiary have withheld (where applicable) from each payment to each of the present and former officers, directors, employees and consultants 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.

(aa) Compliance with Laws, Licenses and Permits: Except for the failure of the Corporation to convene its 2005 annual meeting of shareholders within the prescribed delays, the Corporation and the Subsidiary have conducted and are conducting the business thereof in compliance in all material respects with all applicable laws, rules, regulations, tariffs, orders and directives of each jurisdiction in which they carry on business and possess 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 them and are 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 thereof, and none of the Corporation or the Subsidiary has received any notice of the modification, revocation or cancellation of, or 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 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 and the Subsidiary on a consolidated basis.

(bb) Agreements and Actions: Except for the failure of the Corporation to convene its 2005 annual meeting of shareholders within the prescribed delays, neither the Corporation nor the Subsidiary is in violation of any term of the articles or by-laws or any constating document thereof. Neither the Corporation nor the Subsidiary is in violation of any term or provision of any agreement, indenture or other instrument applicable to it which would, or could, result in any material adverse effect on the business, condition (financial or otherwise), capital, affairs or operations of the Corporation and the Subsidiary on a consolidated basis, neither the Corporation nor the Subsidiary is in default in the payment of any obligation owed which is now due and there is no action, suit, proceeding or investigation commenced, pending or, to the knowledge of the Corporation after due inquiry, threatened which, either in any case or in the aggregate, might result in any material adverse effect on the business, condition (financial or otherwise), capital, affairs, prospects or operations of the Corporation and the Subsidiary on a consolidated basis or on any of the material properties or assets thereof or in any material liability on the part of the Corporation and the Subsidiary on a consolidated basis or which places, or could place, in question the validity or enforceability of this Agreement, the Ancillary Documents or any document or instrument delivered, or to be delivered, by the Corporation pursuant hereto or thereto.

(cc) Owner of Property: The Corporation and the Subsidiary are the absolute legal and beneficial owner of, and have good and marketable title to, all of the material property or assets thereof as described in the Information, free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, other than those described in the Information or in the Filing Statement, and no other property rights are necessary for the conduct of the business of the Corporation or the Subsidiary as currently conducted, the Corporation does not know of any claim or the basis for any claim that might or could adversely affect the right thereof or of the Subsidiary to use, transfer or otherwise exploit such property rights and, except as disclosed in the Information or in the Filing Statement, none of the Corporation or the Subsidiary has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any Person with respect to the property rights thereof.

(dd) No Defaults: None of the Corporation or the Subsidiary is in default of any material term, covenant or condition under or in respect of any judgment, order, agreement or instrument to which it is a party or to which it or any of the property or assets thereof are or may be subject, and no event has occurred and is continuing, and 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 the Subsidiary is a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of any amount owing thereunder or which could have a material adverse effect upon the condition (financial or otherwise), capital, property, assets, operations or business of the Corporation and the Subsidiary.

(ee) Compliance with Employment Laws: Except as disclosed in the Information, the Corporation and the Subsidiary 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 and the Subsidiary on a consolidated basis or result in an adverse material change to the Corporation and the Subsidiary on a consolidated basis, and have not and are 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 any Subsidiary, no union representation question exists respecting the employees of the Corporation or the Subsidiary and no collective bargaining agreement is in place or currently being negotiated by the Corporation or the Subsidiary, neither the Corporation nor the Subsidiary has received any notice of any unresolved matter and there are no outstanding orders under employment and health and safety legislation in Québec or any other similar legislation in any jurisdiction in which the Corporation or the Subsidiary carries on business or has employees, no employee other than Dave Gagnon has any agreement as to the length of notice required to terminate his or her employment with the Corporation or the Subsidiary in excess of twelve months or equivalent compensation .

(ff) Employee Plans: Each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, pension, incentive or otherwise contributed to, or required to be contributed to, by the Corporation or the Subsidiary for the benefit of any current or former officer, director, employee or consultant of the Corporation has been maintained in material compliance with the terms thereof and with the requirements prescribed by any and all statutes, orders, rules, policies and regulations that are applicable to any such plan.

(gg) Accruals: All material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or provincial pension plan premiums, accrued wages, salaries and commissions and payments for any plan for any officer, director, employee or consultant of the Corporation or the Subsidiary have been accurately reflected in the books and records of the Corporation or the Subsidiary.

(hh) Work Stoppage: There has not been, and there is not currently, any labour trouble which is adversely effecting or could adversely effect, in a material manner, the conduct of the business of the Corporation or the Subsidiary.

(ii) Environmental Compliance: Except as disclosed in the Information or the Filing Statement, the Corporation and the Subsidiary:

(i) and the property, assets and operations thereof comply 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 in respect of a Contaminant (which term means and includes, without limitation, any pollutants, dangerous substances, liquid wastes, hazardous wastes, hazardous materials, hazardous substances or contaminants or any other matter including any of the foregoing, as defined or described as such pursuant to any 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 affect, either the Corporation or the Subsidiary or any of the property, assets or operations thereof, relating to, or alleging any material 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 neither the Corporation nor the Subsidiary 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, 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 the any Environmental Activity, the Corporation and the Subsidiary do not have any material 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 material liability (whether contingent or otherwise) with respect to any Environmental Activity relating to or affecting the Corporation or the Subsidiary or the property, assets, business or operations thereof;

(iv) do not store any hazardous or toxic waste or 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 knowledge of the Corporation, there are no Contaminants on any of the premises at which the Corporation or the Subsidiary carries on business, in each case other than in material compliance with Environmental Laws; and

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

(jj) No Litigation: There are no actions, suits, proceedings, inquiries or investigations existing, pending or, to the knowledge of the Corporation after due inquiry, threatened against or which adversely affect the Corporation or the Subsidiary 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), capital, property, assets, operations or business of the Corporation and the Subsidiary on a consolidated basis or the ability of any of them to perform the obligations thereof and none of the Corporation or the Subsidiary is 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), capital, property, assets, operations or business of the Corporation and the Subsidiary on a consolidated basis or the ability of the Corporation to perform its obligations under this Agreement or the Ancillary Documents.

(kk) Intellectual Property: The Corporation and the Subsidiary own or possess adequate enforceable rights to use all trademarks, copyrights and trade secrets used or proposed to be used in the conduct of the business thereof and, to the knowledge of the Corporation, after due inquiry, neither the Corporation nor the Subsidiary is infringing upon the rights of any other Person with respect to any such trademarks, copyrights or trade secrets and no other Person has infringed any such trademarks, copyrights or trade secrets.

(ll) Non-Arm's Length Transactions: As of the Closing Time, except as disclosed in the Information or the Filing Statement, neither the Corporation nor the Subsidiary shall owe any amount to, nor shall the Corporation or the Subsidiary have any present loans to, or have borrowed any amount from or be otherwise indebted to, any officer, director, employee or securityholder of any of them or any Person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada)) with any of them except for usual employee reimbursements and compensation paid in the ordinary and normal course of the business of the Corporation or the Subsidiary. Except as disclosed in the Information or the Filing Statement and except usual employee or consulting arrangements made in the ordinary and normal course of business, neither the Corporation nor the Subsidiary is a party to any contract, agreement or understanding with any officer, director, employee or securityholder of any of them or any other Person not dealing at arm's length with the Corporation and the Subsidiary. To the knowledge of the Corporation, no officer, director or employee of the Corporation or the Subsidiary and no Person which is an affiliate or associate of any of the foregoing Persons, owns, directly or indirectly, any interest (except for shares representing less than 5% of the outstanding shares of any class or series of any publicly traded company) in, or is an officer, director, employee or consultant of, any Person which is, or is engaged in, a business competitive with the business of the Corporation or the Subsidiary which could materially adversely impact on the ability to properly perform the services to be performed by such Person for the Corporation or the Subsidiary.

9. **Covenants of the Corporation**

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

(i) 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 the Offering Jurisdictions for the Offering on such terms as are mutually acceptable to the Agent and the Corporation, acting reasonably;

(ii) arrange for the listing of the Subject Shares on the Stock Exchange as soon as possible; and

(iii) make all necessary filings 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 Agent and the Purchasers that the Corporation will:

(i) fulfill all legal requirements to permit the creation, issue, offering and sale of the Offered Securities, the creation and issue of the Broker Warrants and the issue of the Warrant Shares and the Broker Shares as contemplated in this Agreement including, without limitation, compliance with the Securities Laws of the Offering Jurisdictions to enable the Offered Securities to be offered for sale and sold to the Purchasers and the Broker Warrants to be issued to the Agent without the necessity of filing a prospectus in the Offering Jurisdictions;

(ii) deliver to the Agent a copy of all press releases made and material change reports and other documents filed with any regulatory authority forthwith upon such press release being made or material change report or other document being filed until 30 days after the Closing Date;

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

(iv) forthwith after the Closing Date file such documents as may be required under the Securities Laws of the Offering Jurisdictions relating to the offering of the Offered Securities which, without limiting the generality of the foregoing, shall include a Form 45-106F1 as prescribed under the Securities Laws and the equivalent thereof in all other Offering Jurisdictions.

(c) Issues of Further Securities: The Corporation will not, without the prior written consent of the Agent, which consent may not be unreasonably withheld, 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, other than as contemplated hereby or Common Shares issuable in connection with an acquisition of shares or assets by the Corporation or a strategic partnership entered into by the Corporation or issuable under existing options or incentive plans, convertible, exchangeable or exercisable securities or other rights to acquire Common Shares which are disclosed as of the date hereof in the Information or the Filing Statement, at any time prior to 180 days after the Closing Date nor shall the Corporation publicly announce prior to 180 days after the Closing Date any intention to do so thereafter.

(d) Use of Proceeds: The Corporation will use the net proceeds of the Offered Securities sold under the Offering primarily in the manner described in the Filing Statement.

10. **Termination**

(a) Right of Termination: The Agent shall be entitled, at the sole option thereof, to terminate and cancel, without any liability on the part of the Agent, 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 Agent, acting reasonably, is not satisfied with the results of the due diligence review and investigation of the Corporation conducted by the Agent;

(ii) there is in the opinion of the Agent, acting reasonably, 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), capital, property, assets, operations, business, affairs, profitability or prospects of the Corporation or on the market price or value of the Common Shares or any other securities of the Corporation or on the marketability of the Offered Securities;

(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 event, action or occurrence of any nature whatsoever which, in the opinion of the Agent, acting reasonably, seriously affects, or could seriously affect, the financial markets, the condition (financial or otherwise), capital, property, assets, operations, business, affairs, profitability or prospects of the Corporation or the market price or value of the Common Shares or any other securities of the Corporation or the marketability of the Offered Securities;

(iv) the state of the financial markets is such that in the opinion of the Agent, acting reasonably, it would be unprofitable to offer or continue to offer for sale the Offered Securities;

(v) any order or ruling is issued, or any inquiry, action, suit, proceeding or investigation (whether formal or informal) is instituted or announced or threatened in relation to the Corporation or any of the directors, officers or principal shareholders of the Corporation (other than one based solely upon the activities or alleged activities of the Agent) or any law or regulation is promulgated or changed which prevents or restricts trading in or the distribution of the Offered Securities, the Common Shares or any other securities of the Corporation (other than one based solely upon the activities or alleged activities of the Agent) or any law or regulation is promulgated or changed which prevents or restricts trading in or the distribution of the Offered Securities, the Common Shares or any other securities of the Corporation (other than one based solely upon the activities or alleged activities of the Agent) or any law or regulation is promulgated or changed which prevents or restricts trading in or the distribution of the Offered Securities, the Common Shares or any other securities of the Corporation;

(vi) 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

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

(b) Rights on Termination: Any termination by the Agent pursuant to subsection 10(a) hereof shall be effected by notice in writing delivered by the Agent to the Corporation at the address thereof as set out in section 14 hereof. The right of the Agent to so terminate the obligations thereof under this Agreement is in addition to such other remedies as the Agent 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 Agent pursuant to subsection 10(a) hereof there shall be no further liability on the part of the Agent to the Corporation or of the Corporation to the Agent except any liability which may have arisen or may thereafter arise under either section 11 or 12 hereof.

11. Indemnity and Contribution

(a) Indemnity: Subject to the provisions of this Section 11, the Corporation hereby covenants and agrees to protect, indemnify and save harmless the Agent and each investment dealer which is a member of any agency group formed by the Agent in connection with the Offering, each of the associates and affiliates of each of them and the respective directors, officers, employees, shareholders, partners, advisors and Agent of each of the Agent and each investment dealer which is a member of any agency group formed by the Agent in connection with the Offering and of each of the associates and affiliates of each of them (in this section 11 each an "Indemnified Person" and collectively the "Indemnified Persons") from and against all losses (other than a loss of profits), claims, damages, payments, liabilities, costs, fines, penalties and expenses (including the amount paid in settlement of any claim, action, suit or proceeding and the reasonable fees and expenses of counsel on a solicitor and his own client basis incurred obtaining advice in respect of, or in defending or settling, any such claim, action, suit or proceeding), joint or several (solidary), of whatsoever nature or kind to which an Indemnified Person may become subject or otherwise involved in any capacity under statute or common law or otherwise caused or incurred by reason of or in any way arising, directly or indirectly, from, by virtue of, or related to, enforcing the provisions of this Agreement or any Subscription Agreement, or:

(i) the Agent having acted as the Agent of the Corporation in respect of the Offering (other than by reason of the negligence, willful misconduct or bad faith of the Agent);

(ii) any statement or information contained in the Information (except information and statements relating solely to, and provided by, the Agent and for which the Agent did not rely on any information provided by the Corporation or anyone acting on its behalf) 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;

(iii) the omission or alleged omission to state in the Information (except information and statements relating solely to, and provided by, the Agent and for which the Agent did not rely on any information provided by the Corporation or anyone acting on its behalf) 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;

(iv) 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 either of the Agent or any member of any agency group formed by the Agent in connection with the Offering;

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

(vi) any negligence or willful misconduct by the Corporation relating to or connected with the sale by the Corporation of the Offered Securities;

(vii) any misrepresentation or alleged misrepresentation (except any made by the Agent and for which the Agent did not rely on any information provided by the Corporation or anyone acting on its behalf) relating to the Offering or the Offered Securities, whether oral or written and whether made during and in connection with the Offering or in respect of the trading of the Offered Securities in the secondary market after the completion of the Offering, where such misrepresentation or alleged misrepresentation may give or gives rise to any other liability under any statute in any jurisdiction which is in force on the date of this Agreement or which comes into force after that date;

(viii) any failure or alleged failure to make timely disclosure of material change by the Corporation, whether such failure or alleged failure occurs during the Offering or after the completion of the Offering, where such failure relates to the Offering or the Offered Securities and may give or gives rise to any liability under any statute in any jurisdiction which is in force on the date of this Agreement or which comes into force after that date; or

(ix) the breach of, or default under, any 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 Offered Securities 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 Offered Securities being or being alleged to be untrue, false or misleading.

If any matter or thing contemplated by this section 11 shall be asserted against any Indemnified Person in respect of which indemnification is or might reasonably be considered to be provided hereunder, 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 assume the defence of any action, suit or proceeding 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 the 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) Counsel: In any claim referred to in section 11 hereof, the Indemnified Person shall have the right to retain separate legal counsel to act on behalf of such Indemnified Person 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 notice of such claim;

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

(iii) the named parties to such claim (including any added, third or impleaded parties) include both the Corporation and the Indemnified Person and the Indemnified Person has been advised by legal counsel 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 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 this subsection 11(b), all Indemnified Persons shall be represented by one separate legal counsel and the 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 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 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.

(c) Waiver of Right: The Corporation hereby waives its right to recover contribution from the Agent 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 11; provided, however, that such waiver shall not apply in respect of an Agent for any liability directly caused or incurred by reason or arising out of any information or statements relating solely to, and provided by, such Agent or any failure by such Agent 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 Agent to forward to the Purchasers.

(d) Contribution:

(i) In order to provide for just and equitable contribution in circumstances in which the indemnity contained in this section 11 is, for any reason of policy or otherwise, held to be unavailable to or unenforceable by, in whole or in part, an Indemnified Person other than in accordance with the provisions of this section 11, the Corporation shall contribute to the aggregate losses (other than a loss of profit), claims, damages, payments, liabilities, costs, fines, penalties and expenses (including the amount paid in settlement of any claim, action, suit or proceeding and the fees and expenses of counsel on a solicitor and his own client basis incurred obtaining advice in respect of, or in defending or settling, any such claim, action, suit or proceeding) of the nature contemplated by such indemnity incurred or paid by the Indemnified Person in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Indemnified Person on the other hand in connection with the Offering but also the relative fault of the Corporation on the one hand and the Indemnified Person on the other hand in connection with the matters, things and actions which resulted in such losses, claims, damages, payments, liabilities, costs, fines, penalties or expenses as well as any other relevant equitable considerations or, if such allocation is not permitted by applicable law, in such proportion so that the Indemnified Person shall be responsible for the proportion represented by the percentage that the Agent' fee per Offered Security bears to the Purchase Price and the Corporation shall be responsible for the balance, whether or not they are a party to the same or separate claims; provided, however, that no Person who has engaged in any dishonesty, fraud, fraudulent misrepresentation, negligence or wilful default shall be entitled to contribution from any Person who has not engaged in any dishonesty, fraud, fraudulent misrepresentation, negligence or wilful default and further provided that in no event shall any Agent be responsible for any amount in excess of the cash fee actually received from the Corporation under this Agreement and retained by such Agent. For purposes of this subsection 11(d), relative fault shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or any omission or alleged omission to state a material fact relates to information supplied by the Corporation on the one hand or the Agent on the other hand and the relevant intent, knowledge, access to information and opportunity to correct or prevent any such untrue statement or omission of the Corporation and the Indemnified Person.

(ii) In the event that the Corporation is held to be entitled to contribution from the Agent under the provisions of any statute or law, the Corporation shall be limited to such contribution in an amount not exceeding the lesser of:

A. the portion of the amount of the loss or liability giving rise to such contribution for which the particular Agent is responsible as determined in accordance with subsection 11(d) above; and

B. the amount of the cash fee actually received from the Corporation under this Agreement and retained by such Agent.

(iii) For purposes of this subsection 11(d), each party hereto shall give prompt notice to the other parties hereto of any claim, action, suit or proceeding threatened or commenced in respect of which a claim for contribution may be made under this subsection 11(d).

(e) Held in Trust: To the extent that the indemnity contained in subsection 11(a) hereof is given in favour of a Person who is not a party to this Agreement, the Corporation hereby constitutes the Agent as trustees for such Person for such indemnity and the covenants given by Corporation to such Person in this Agreement. The Agent hereby accept such trust and hold such indemnity and covenants for the benefit of such Persons. The benefit of such indemnity and covenants shall be held by the Agent in trust for the Persons in favour of whom such indemnities and covenants are given and may be enforced directly by such Persons.

12. **Expenses**

Whether or not the purchase and sale of the Offered Securities shall be completed as contemplated by this Agreement, all expenses of or incidental to the issue, sale and delivery of the Offered Securities and of or incidental to all matters in connection with the transaction herein set out (up to a maximum of $25,000) shall be borne by the Corporation including, without limitation, the reasonable fees and disbursements and applicable taxes of legal counsel for the Agent and the reasonable out-of-pocket expenses (including applicable taxes) of the Agent, provided that all such expenses in excess of $1,000 are subject to the prior approval of the Corporation and that each tranche of $5,000 in expenses must be disclosed to the Corporation.

13. **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 breach or failure by the Corporation to comply with any of such terms and conditions shall entitle the Agent to terminate the obligations thereof to complete the Closing by written notice to that effect given by the Agent to the Corporation prior to the Closing Time. It is understood and agreed that the Agent 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 Agent any such waiver or extension must be in writing and signed by or on behalf of the Agent, except that the completion of the Closing shall be deemed to be a waiver by the Agent of any conditions not yet satisfied by the Corporation by the Closing Time. If the Agent shall elect to terminate the obligations 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 11 hereof, the right to contribution referred to in section 11 hereof and the payment of expenses referred to in section 12 hereof.

14. **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:

Bolcar Énergie Inc.
11 Charlevoix Street
Suite A106
Montréal, Québec
H3J 2V9

Attention: President
Telecopier: 514-871-8977

with a copy to:

Lapointe Rosenstein, General Partnership
1250 René-Lévesque West
Suite 1400
Montréal, Québec
H3B 5E9

Attention: Howard Levine
Telecopier: 514-925-6341

and to:

Gagné Letarte LLP
79 René-Lévesque Blvd.
Suite 400
Québec, Québec
G1R 5N5

Attention: Jean Pelletier
Telecopier: 418-523-7900

(b) in the case of the Agent:

Canaccord Capital Corporation
1010 Sherbrooke Street West
Suite 1100
Montréal, Québec
H3A 2R7

Attention: François Carrier
Telecopier: 514-844-9014

with a copy to:

Lavery, de Billy, L.L.P.
1 Place Ville Marie
Suite 4000
Montréal, Québec
H3B 4M4

Attention: René Branchaud
Telecopier: 514-871-8977

Either the Corporation or the Agent 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.

15. **Right of the First Refusal and Right to Participate**

The Corporation and the Subsidiary have granted the Agent the right of first refusal to act as lead agent of any brokered offering, issuance or resale of securities of the Corporation (a "Financing"), for a period of 18 months from the Closing Date. The Corporation shall provide to the Agent prior notice in writing of the terms of any Financing that the Corporation requires or proposes to obtain and shall provide the Agent the right to act as lead agent of that Financing. This right of first refusal must be exercised by the Agent within 7 days following receipt of such notice by notifying the Corporation that the Agent will agree to act as lead agent of such Financing on the terms set out in the notice, otherwise the Corporation will be free to make other arrangements to obtain such Financing on the same terms or on terms no less favorable to the Corporation, subject only to the Agent's right to participate in such Financing.

The Agent's right to participate entitles the Agent to a participation equal to no less than 30% of any underwriting syndicate formed for the purpose of any Financing occurring within 18 months from the Closing Date where the Agent has elected not to exercise its right of first refusal mentioned above. The Agent shall be entitled to receive compensation for its role as part of the syndicate on the usual terms provided to non-lead syndicate members.

16. **Miscellaneous**

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

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

(c) 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 Offered Securities shall survive the purchase and sale of the Offered Securities and the termination of this Agreement and shall continue in full force and effect for the benefit of the Agent and the Purchasers for a period of two (2) years, regardless of any subsequent disposition of Offered Securities or the Broker Shares or any investigation by or on behalf of the Agent with respect thereto.

(d) Counterparts: This Agreement may be executed by any one or more of the parties to this Agreement by facsimile or in any number of counterparts, 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.

(e) Entire Agreement: This Agreement constitutes the entire agreement between the Corporation and the Agent in connection with the issue and sale of the Offered Securities by the Corporation and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, including, but not limited to, any engagement agreement or term sheet relating to the Offering between the Corporation and the Agent.

(f) 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.

(g) 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.

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 Canaccord Capital Corporation.

Yours truly,

CANACCORD CAPITAL CORPORATION

By:

Name:

Title:

The undersigned hereby accepts and agrees to the foregoing as of the 16th day of May, 2006.

BOLCAR ÉNERGIE INC.

By:

Name: Gérard Prévost

Title: President

Schedule A

Form of Opinion

May ●, 2006

CANACCORD CAPITAL CORPORATION
1010 Sherbrooke Street West
Suite 1100
Montréal, Québec
H3A 2R7

- and to -

LAVERY, DE BILLY
1, Place Ville Marie
Suite 4000
Montréal, Québec
M3B 4M4

- and to -

The purchasers listed on schedule A attached hereto

Dear Sirs:

Re: Bolcar Énergie Inc.
Private Placement of Units

We have acted as counsel to Bolcar Énergie Inc. (the "Corporation") in connection with the issue and sale today by the Corporation (the "Offering") to the purchasers listed on schedule A attached hereto (the "Purchasers") of ● units of the Corporation (individually a "Unit" or an "Offered Security" and collectively the "Units" or the "Offered Securities"), at a purchase price of $0.17 per Offered Security, each Unit comprised of one common share of the Corporation (individually a "Unit Share" and collectively the "Unit Shares") and one half of one warrant (individually a "Warrant" and collectively the "Warrants"), each Warrant entitling the holder thereof to purchase one common share of the Corporation (each a "Warrant Share" and collectively the "Warrant Shares") at an exercise price of $0.22 per Warrant Share until May ●, 2008, in accordance with, among other things, the provisions of an agency agreement (the "Agency Agreement") dated May ●, 2006 between the Corporation and Canaccord Capital Corporation (the "Agent").

As consideration for the services of the Agent in connection with the Offering, the Corporation has:

(a) paid to the Agent a remuneration equal to 10% of the gross proceeds of the Offering; and

(b) issued to the Agent an aggregate of ● broker warrants (individually a "Broker Warrant" and collectively the "Broker Warrants"), each Broker Warrant entitling the holder thereof to purchase one common share of the Corporation (each a "Broker Warrant Share" and collectively the "Broker Warrant Shares") at an exercise price of $0.17 per Broker Warrant Share until May ●, 2008.

This opinion is provided at the request of the Agent pursuant to subparagraph 5(a)(ii)A of the Agency Agreement. Words and terms in this opinion with the initial letter or letters capitalized and not defined herein shall, if defined in the Agency Agreement, have the meanings given to such capitalized words and terms in the Agency Agreement.

In connection with rendering this opinion, we have, among other things:

1. participated, together with Lavery, de Billy L.L.P., counsel to the Agent, in the preparation of

   (a) the Agency Agreement,

   (b) a subscription agreement between the Corporation and each of the Purchasers providing for the purchase by the Purchasers of Offered Securities (collectively the "Subscription Agreements"),

   (c) the specimen form of certificate representing the Warrants; and

   (d) the specimen form of certificate representing the Broker Warrants;

2. examined, among other things,

   (a) a certified copy dated May ●, 2006 of the articles and by-laws of the Corporation,

   (b) a certificate dated May ●, 2006 (the "Certificate of Attestation") issued pursuant to an *Act respecting the legal publicity of sole proprietorships, partnerships and legal persons* (Québec) relating to the Corporation,

   (c) a certificate of Compliance dated May •, 2006 (The "**Certificate of Compliance**") issued by Industry Canada,

   (d) a certificate dated May ●, 2006 (the "Québec Reporting Issuer Certificate") issued pursuant to section 71 of the *Securities Act* (Québec) relating to the Corporation,

   (e) a certified copy dated May ●, 2006 of the resolution passed by the directors of the Corporation, among other things, authorizing the Offering, the execution and delivery of the Agency Agreement and of each of the Subscription Agreements (the Agency Agreement and the Subscription Agreements are hereinafter collectively referred to as the "Agreements") and the completion of the transactions contemplated therein,

   (f) an originally executed copy of each of the Agreements,

   (g) originally executed certificates representing the Warrants (collectively the "Warrant Certificates"),

   (h) originally executed certificates representing the Broker Warrants (collectively the "Broker Warrant Certificates"),

(i) a certificate dated May ●, 2006 of CIBC Mellon Trust Company (the "Transfer Agent Certificate") with respect to the number of outstanding common shares of the Corporation ("Common Shares"),

(j) a letter (the "Conditional Listing Letter") dated ●, 2006 from the TSX Venture Exchange (the "Stock Exchange") granting conditional listing of the Unit Shares, the Warrant Shares and the Broker Warrant Shares (collectively, the "Subject Shares"), and

(k) a certificate dated May ●, 2006 of an officer of the Corporation (the "Officer's Certificate") with respect to certain factual matters, and

3. considered such questions of law, made such investigations and examined such originals, facsimiles or copies, certified or otherwise identified to our satisfaction, of such additional public and corporate records, records of corporate proceedings, certificates and other documents as we have considered relevant or necessary in order to render the opinion expressed below.

The opinion expressed herein is subject to the following exceptions, qualifications and assumptions:

(a) we have assumed, with respect to all of the documents examined by us, the genuineness of all signatures, the legal capacity at all relevant times of any individual signing any of such documents, the authenticity and completeness of all documents submitted to us as originals, the conformity to authentic originals of all documents submitted to us as a certified or true copy or as a reproduction (including facsimiles) and the truthfulness and accuracy of the corporate records of the Corporation and of all certificates of public officials and officers of the Corporation, not being aware of any reason why the addressees of this opinion would not be entitled to rely on any of the certificates upon which we are relying in rendering this opinion;

(b) we have assumed that each of the parties to the Agreements and the Ancillary Documents other than the Corporation has all requisite power and authority to enter into, execute, deliver and perform its obligations thereunder and that the Agreements and the Ancillary Documents have been authorized, executed and delivered by each of such parties and are legal, valid and binding obligations of each of them enforceable against each of such parties in accordance with their respective terms;

(c) we have assumed that the Agent is registered under the Securities Laws of the Offering Jurisdictions as of the date hereof as a broker, investment dealer or securities dealer and has complied with all laws applicable to such Agent, including any limitations on the activities thereof applicable because of the category in which the Agent is registered, in arranging for the purchase of the Offered Securities by the Purchasers;

(d) in rendering the opinion expressed in paragraph 1 hereof, we have relied exclusively and without independent investigation, upon the Certificate of Attestation and Certificate of Compliance, a copy of which is attached as schedule ● to this opinion;

(e) in rendering the opinion expressed in paragraph 2 hereof relating to the number of Common Shares outstanding, we have relied exclusively and without independent investigation upon the Transfer Agent Certificate, a copy of which is attached as schedule ● to this opinion;

(f) insofar as our opinion in paragraphs 4, 6, and 7 hereof relates to the legality, validity, binding nature or enforceability of the Agreements and the Ancillary Documents (the "Subject Agreement"), such opinion is subject to the following additional qualifications:

(i) the laws of any jurisdiction, other than the Province of Québec and the laws of Canada, may be considered or given effect to under the laws of the Province of Québec in any such determination,

(ii) the application of applicable bankruptcy, insolvency and other similar laws affecting the rights of creditors generally,

(iii) the granting of equitable remedies such as specific performance and injunctive relief is within the discretion of a court of competent jurisdiction, and

(iv) rights of indemnity and contribution may be contrary to public policy;

(v) under the Civil Code of Québec (the "**Civil Code**"), the parties must have exercised, and must continue to exercise, good faith in the negotiation, implementation and enforcement of the Agreements;

(vi) the obligations of the parties to the Subject Agreements and the enforceability thereof are subject to all qualifications which, by equity or usage, are incidental thereto by their nature, including, without limitation:

(a) equitable remedies such as specific performance and injunctive relief which may be ordered by a court in its discretion and accordingly may not be available as a remedy in an action brought to enforce the Subject Agreements;

(b) the powers of the courts to stay proceedings before them and to stay the execution of judgments;

(c) limitations which may be imposed by law on the effectiveness of terms exculpating a party from a liability resulting from gross negligence or wilful misconduct;

(d) the discretion that a court may reserve to itself to impose restrictions on the rights of creditors to enforce immediate payment of amounts stated to be payable on demand and to decline to be bound by determinations of fact stated to be conclusive b the contracting parties; and

(e) limitations upon the right of a party to the Subject Agreements to enforce them on the basis of a purely technical default, such as the failure to timely produce a document;

(vii) we express no opinion as to the legality, validity or binding nature of any provision of any of the Subject Agreements which purports to allow for the compensation or set-off debts which are not certain, liquid and exigible;

(viii) we express no opinion as to the legality, validity or binding nature of any provision of any of the Subject Agreements which states that any mandate, agency or power of attorney is irrevocable or requiring any party to pay penalties or judicial or extra-judicial fees or disbursements;

(ix) if any provision of any of the Subject Agreements is held to be null, void, without effect or inoperative or deemed unwritten, the severance of any such provision from the remaining provisions or such Subject Agreement is subject to the discretion of the courts;

(x) the enforceability of provisions exculpating a party from a liability or duty otherwise owed by it or reducing such liability or duty may be limited by provisions of public order under applicable law;

(xi) rights of indemnification may be limited by provisions of public order under applicable laws; in particular and without limitation, we express no opinion as to any provision in any of the Subject Agreements which purports to limit or extend the period for which indemnification may be sought;

(xii) enforcement of claims may become barred under applicable statutes of limitation or as a result of extinctive prescription and may be subject to counter-claims or set-offs;

(xiii) we express no opinion as to the legality, validity or binding nature of any provision of any of the Subject Agreements which purports to waive the application or effect of provisions of law which are mandatory or of public order;

(xiv) we express no opinion as to the validity, legality or binding nature of any provision of any of the Subject Agreements which purports to give a person a right to acquire property without compensation or without further compensation;

(g) in rendering the opinion expressed in paragraph 10 hereof, we have assumed that:

(i) the representations, warranties and acknowledgements of the Purchasers contained in their respective Subscription Agreements are true and correct in every material respect, that all of the covenants of the Purchasers contained in their respective Subscription Agreements have been performed and that each Purchaser is a resident of the jurisdiction shown as the address of such Purchaser on the Subscription Agreement of such Purchaser, and

(ii) no advertisement respecting the Offering has been made in public printed media, radio, television or telecommunications, including electronic display, and no offering memorandum (as such term is defined in the Securities Laws of the Province of Québec) has been delivered to the Purchasers or any prospective purchaser in connection with the distribution of the Offered Securities;

(h) that at all times, no order to deny the benefit of any exemption under the Securities Laws of the Province of Québec has been made by the *Autorité des marchés financiers*, no order, decision or filing has been issued or granted by a court or regulatory or administrative body that has the effect or restricting any trades in the securities of the

Corporation and no such order, decision or ruling restricts any person who engages in such a trade;

(i) that the Corporation is not a "related issuer" or "connected issuer" (as those terms are defined in National Instrument 33-105) of any registrant involved in the distribution of the Offered Securities;

(j) in rendering the opinion expressed in paragraph 16 hereof, we have relied exclusively and without independent investigation upon the Québec Reporting Issuer Certificate, a copy of which is attached as schedule ● to this opinion, and such opinion is subject to the limitations and qualifications set forth in the Québec Reporting Issuer Certificate; and

(k) in rendering the opinion expressed in paragraph 17 hereof as to the approval of certain matters by the Stock Exchange, we have relied exclusively upon the Conditional Listing Letter, a copy of which is attached as schedule ● to this opinion.

We are solicitors qualified to practice law in the Province of Québec and we express no opinion as to the laws of any jurisdiction, or as to any matters governed by the laws of any jurisdiction, other than the laws of the Province of Québec and the laws of Canada applicable therein.

Based on and relying upon the foregoing and subject to the qualifications hereinbefore and hereinafter set forth, we are of the opinion that:

1. The Corporation has been incorporated, is existing and has not been dissolved under the *Canada Business Corporations Act*. The Corporation has all necessary corporate power and capacity, to own, lease and operate its property and assets and to conduct its business at and in the places where such property and assets are now owned, leased or operated or such business is now conducted.

2. The Corporation is authorized to issue an unlimited number of Common Shares, of which ● Common Shares are outstanding as fully paid and non-assessable shares.

3. The Corporation has all necessary corporate power and capacity, and has taken all necessary corporate action, to authorize, execute and deliver the Subject Agreements and to perform all of its obligations thereunder, including to issue the Unit Shares, the Warrants, the Warrant Shares, the Broker Warrants and the Broker Warrant Shares.

4. Each of the Subject Agreements has been authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with the terms thereof.

5. The Unit Shares have been authorized and issued as fully paid and non-assessable shares.

6. The Warrants have been authorized, created and issued and the Warrant Certificates have been authorized, executed and delivered by the Corporation and constitute legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with the terms thereof. The Warrants have the attributes contemplated by the Agency Agreement and the Purchasers thereof are entitled to the benefits, and are subject to the provisions of, the Warrant Certificates. The Warrant Shares have been allotted, reserved and conditionally issued to the holders of the Warrants and the Warrant Shares will, when issued upon the exercise of the

Warrants in accordance with the provisions thereof, be issued as fully paid and non-assessable shares.

7. The Broker Warrants have been authorized, created and issued to the Agent and the Broker Warrant Certificates have been authorized, executed and delivered by the Corporation and constitute legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with the terms thereof. The Broker Warrants have the attributes contemplated by the Agency Agreement and the Agent is entitled to the benefits, and is subject to the provisions, of the Broker Warrant Certificates. The Broker Warrant Shares have been allotted, reserved and conditionally issued to the Agent and the Broker Warrant Shares will, when issued upon the exercise of the Broker Warrants in accordance with the provisions thereof, be issued as fully paid and non-assessable shares.

8. The authorization, execution and delivery of each of the Subject Agreements, the performance of the provisions thereof by the Corporation and the offering, issue and sale of the Offered Securities and the issue of the Broker Warrants, the Warrant Shares and the Broker Warrant Shares do not and will not (i) require the consent, approval or authorization of, or registration or qualification with, any governmental authority, stock exchange, securities regulatory authority or other Person, except such as have been obtained, (ii) conflict with or result in any breach or violation of the articles or by-laws of, or any resolution of the directors or shareholders of, the Corporation, or (iii) violate the provisions of any law, statute, rule or regulation to which the Corporation or the property or assets thereof is subject.

9. The form and terms of the certificates representing the Common Shares, the Warrants and the Broker Warrants have been approved by the directors of the Corporation and conform with the provisions of the *Canada Business Corporations Act*, the articles and by-laws of the Corporation and, in the case of the Common Shares, the requirements of the Stock Exchange.

10. The offering, issue, sale and delivery of the Offered Securities by the Corporation to Purchasers in accordance with the Subscription Agreements has been effected in such a manner as to be exempt, either by statute, regulation, instrument, rule or order, from the prospectus requirements of the Securities Laws of the Province of Québec and no prospectus will be required, no other document will be required to be filed, no proceeding will be required to be taken and no approval, permit, consent, order or authorization of any regulatory authority will be required to be obtained under the Securities Laws of the Province of Québec to permit or in connection with the offering, issue, sale and delivery of Offered Securities to the Purchasers other than the filing with the *Autorité des marchés financiers* of a report as required by Section 6.1 of Regulation 45-106 respecting prospectus and registration exemptions (Québec) ("45-106") and the payment of the applicable fees, the whole within the prescribed period .

11. No prospectus or registration pursuant to the registration requirement of the Securities Laws of the Province of Québec will be required and no other document will be required to be filed, no proceeding will be required to be taken and no approval, permit, consent, order or authorization of any regulatory authority will be required to be obtained under the Securities Laws of the Province of Québec to permit or in connection with the issue and delivery by the Corporation of the Warrant Shares upon the exercise of Warrants in accordance with the terms thereof to the holders of Warrants

12. No prospectus will be required, no other document will be required to be filed, no proceeding will be required to be taken and no approval, permit, consent, order or authorization of any regulatory authority will be required to be obtained under the Securities Laws of the Province of Québec to

permit or in connection with the first trade of Unit Shares, Warrants or Warrant Shares through a registrant properly registered under such Securities Laws in compliance therewith provided that:

(a) the Corporation is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding such first trade;

(b) at the time of such first trade at least four months have elapsed from the date of issue of the Offered Securities;

(c) the certificate representing the Unit Shares and the Warrants and, if the Warrant Shares are issued prior to the date which is four months and a day from the date hereof, the certificates representing the Warrant Shares, carried the legend required by Regulation 45-102 respecting the resale of securities (Québec) ("45-102");

(d) the trade is not a control distribution (within the meaning of 45-102);

(e) no unusual effort is made to prepare the market or to create a demand for the Unit Shares, the Warrants or the Warrant Shares, as the case may be;

(f) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and

(g) if the selling security holder is an insider or officer of the Corporation at the time of such first trade, the selling security holder has no reasonable grounds to believe that the Corporation is in default of securities legislation.

13. The issue of the Broker Warrants to the Agent has been effected in such a manner as to be exempt, either by statute, regulation, instrument, rule or order, from the prospectus requirements of the Securities Laws of the Province of Québec and no prospectus will be required, no other document will be required to be filed, no proceeding will be required to be taken and no approval, permit, consent, order or authorization of any regulatory authority will be required to be obtained under the Securities Laws of the Province of Québec to permit or in connection with the issue of the Broker Warrants to the Agent other than the filing with the *Autorité des marchés financiers* of a report as required by Section 6.1 of 45-106 and the payment of the applicable fees, the whole within the prescribed period.

14. No prospectus or registration pursuant to the registration requirement of the Securities Laws of the Province of Québec will be required and no other document will be required to be filed, no proceeding will be required to be taken and no approval, permit, consent, order or authorization of any regulatory authority will be required to be obtained under the Securities Laws of the Province of Québec to permit or in connection with the issue and delivery by the Corporation of Broker Warrant Shares upon the exercise of the Broker Warrants in accordance with the terms thereof to the Agent.

15. No prospectus will be required, no other document will be required to be filed, no proceeding will be required to be taken and no approval, permit, consent, order or authorization of any regulatory authority will be required to be obtained under the Securities Laws of the Province of Québec to permit or in connection with the first trade of Broker Warrant Shares through a registrant properly registered under such Securities Laws in compliance therewith provided that:

(a) the Corporation is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding such first;

(b) at the time of such first trade at least four months have elapsed from the date of issue of the Broker Warrants;

(c) if the Broker Warrant Shares subject to the trade were issued prior to the date which is four months and a day from the date hereof, the certificate representing such Broker Warrant Shares carried the legend required by 45-102;

(d) the trade is not a control distribution (within the meaning of 45-102);

(e) no unusual effort is made to prepare the market or to create a demand for the Broker Warrant Shares;

(f) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and

(g) if the selling security holder is an insider or officer of the Corporation at the time of such first trade, the selling security holder has no reasonable grounds to believe that the Corporation is in default of securities legislation.

16. The Corporation is a reporting issuer in the Province of Québec and is subject to the provisions of Regulation 51-102 respecting continuous disclosure obligations (Québec) ("**51-102**") and its situation is in conformity with the document filing obligations provided for in Part 4 (Financial Statements), Part 5 (Management's Discussion & Analysis) and Part 6 (Annual Information Form) of 51-102.

17. The Common Shares are traded on the Stock Exchange and the Subject Shares have been conditionally listed for trading on the Stock Exchange upon the issue thereof, subject to compliance by the Corporation with the listing conditions set out in the Conditional Listing Letter.

This opinion relates exclusively to the transaction outlined above and is for the sole use and benefit of the persons to whom it is addressed. Accordingly, this opinion may not be delivered to, or relied upon, by any other person or used in connection with any other transaction without our prior written consent. This opinion is limited to the matters stated herein, and no opinion or belief is implied or may be inferred beyond the matters expressly stated herein.

Schedule B

Officers' Certificate

TO: CANACCORD CAPITAL CORPORATION
AND TO: LAVERY, DE BILLY L.L.P.
AND TO: THE PURCHASERS OF UNITS OF BOLCAR ÉNERGIE INC.

CERTIFICATE

The undersigned, Gérard Prévost, President and Chief Executive Officer of Bolcar Énergie Inc. (the "Corporation"), and Serge Shedleur, Vice-President, Finance of the Corporation, hereby certify, for and on behalf of the Corporation in their capacity as officers of the Corporation and not in their personal capacity, after having made due inquiry, that the following facts, matters and information are true and accurate and not misleading in any material respect:

1. The facts, matters and information certified to herein are based on one or more of knowledge and information available or provided to us and our honest belief and all statements made in this certificate represent our reasonably held honest belief as to the facts, matters, information and belief possessed by us. We have used our best efforts to become informed of and about the facts, matters and information certified to herein and have sought the advice of counsel for the Corporation on those matters certified to herein which involve matters of laws and have relied upon such advice to the extent that those matters involve matters of law.

2. The Corporation has complied with all covenants and agreements contained in, and has satisfied all of the terms and conditions of, the Agency Agreement (as hereinafter defined) to be complied with and satisfied by the Corporation at or prior to the Closing Time.

3. The representations and warranties of the Corporation contained in the Agency Agreement are true and correct 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 thereby.

4. Since December 31, 2005, none of:

   (i) the Corporation or the Subsidiary has paid or declared any dividend or incurred any material capital expenditure or made any commitment therefor;

   (ii) the Corporation or the Subsidiary has 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 or the Subsidiary has entered into any material transaction;

   except as disclosed in the Information or in the Filing Statement.

5. No transaction of a nature material to the Corporation and the Subsidiary on a consolidated basis has been entered into by the Corporation or the Subsidiary, except as disclosed in the Information or the Filing Statement.

6. No order, ruling or determination having the effect of ceasing or suspending the sale or ceasing, suspending or restricting trading in the Offered Securities, the Common Shares or any other securities of the Corporation has been issued or made by any stock exchange, securities commission or other regulatory authority and is continuing in effect and no proceedings, investigations or enquiries for such purpose have been instituted or are pending, or are contemplated or threatened under any of the Securities Laws of the Offering Jurisdictions or by any stock exchange (including the Stock Exchange), securities commission or other regulatory authority.

7. There are no actions, suits, proceedings or enquiries pending or, to the best of their knowledge, threatened against or affecting the Corporation or the Subsidiary or to which any property or assets of the Corporation or the Subsidiary is subject, at law or in equity, or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which may, in any way, materially and adversely affect the Corporation and the Subsidiary on a consolidated basis.

8. Except for the failure of the Corporation to convene its 2005 annual meeting of shareholders within the prescribed delays, no failure or default on the part of the Corporation or the Subsidiary exists under any law or regulation applicable to the Corporation or the Subsidiary or under any licence, permit, contract, agreement or other instrument to which the Corporation or the Subsidiary is a party or by which the Corporation or the Subsidiary is bound, which may in any way materially and adversely affect the Corporation or the Subsidiary and the execution, delivery and performance of the Agency Agreement and the performance by the Corporation of its obligations thereunder will not result in any such default.

9. This certificate is being made and delivered pursuant to subparagraph 5(a)(ii)C of the agency agreement dated as of September ●, 2005 between the Corporation and the Agent (the "Agency Agreement") and we acknowledge that the addressees hereof will be relying on this certificate.

Unless otherwise defined herein, all words and terms with the initial letter or letters thereof capitalized in this certificate and not defined herein but defined in the Agency Agreement shall have the meanings given to such capitalized words and terms in the Agency Agreement. The undersigned acknowledge that they are familiar with the definitions given to the capitalized words and terms in the Agency Agreement and such definitions are hereby incorporated by reference.

IN WITNESS WHEREOF the undersigned have executed this certificate as of the _____ day of ____________________, 2006.

____
Gérard Prévost, the President and Chief Executive Officer of Bolcar Énergie Inc.

____
Serge Shedleur, the Vice-President, Finance of Bolcar Énergie Inc.